

CSCP Dumps

Certified Supply Chain Professional

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NEW QUESTION 1

- (Topic 1)

The main benefit of a mass customization product design strategy is to:

- A. sell high quantities of product to specific customer segments.
- B. achieve economies of scale in purchasing components.
- C. offer more product variety while keeping inventories low.
- D. avoid assembly of finished products.

Answer: C

NEW QUESTION 2

- (Topic 1)

Which of the following scenarios represents a correct application of the Supply-Chain Operations Reference-model (SCOR)?

- A. Sales and marketing refers to SCOR to improve demand generation.
- B. Production and engineering uses SCOR best practices to design a new "make" process flow.
- C. Distribution and logistics selects suppliers from the SCOR reference list.
- D. Marketing and development incorporates SCOR Level I metrics for new product design.

Answer: B

NEW QUESTION 3

- (Topic 1)

Which of the following situations is an example of postponement?

- A. Shipments are broken down into small groups for reshipment.
- B. Shipments are consolidated immediately for reshipment.
- C. Production begins after a customer order is received.
- D. Partially assembled goods are assembled at a later stage.

Answer: D

NEW QUESTION 4

- (Topic 1)

Which of the following consequences is a result of shipping directly from the point of manufacture to the customer rather than through a distribution network?

- A. Delivery lead times are consistent.
- B. Risk pooling benefits are negated.
- C. Distribution overhead is increased.
- D. Order-fill rate is decreased.

Answer: B

NEW QUESTION 5

- (Topic 1)

A remanufacturer of equipment is most likely to have what type of supply chain?

- A. Modular logistics
- B. Reverse logistics
- C. Mixed model
- D. Lateral

Answer: B

NEW QUESTION 6

- (Topic 1)

Which of the following attributes typically makes reverse logistics processes more complicated than outbound logistics processes?

- A. Lead times for shipments are more variable.
- B. Individual packages and cartons are less uniform.
- C. There are more regulations mandated by local governments.
- D. There is more competition for scarce transportation lanes.

Answer: B

NEW QUESTION 7

- (Topic 1)

The use of a seasonal index as a forecasting technique measures the ratio of the:

- A. average seasonal demand to the average demand for all periods.
- B. average demand for all periods to the average seasonal demand.
- C. average seasonal demand to the standard deviation of the demand for all periods.
- D. standard deviation of the seasonal demand to the standard deviation of demand for all periods.

Answer: A

NEW QUESTION 8

- (Topic 1)

A company considers outsourcing its information technology support to a low-cost region on another continent. The company currently has no business presence there. Which of the following actions is most effective in helping to select a service provider?

- A. Contacting the country's consulate for leads
- B. Contacting the country's local government for recommendations
- C. Visiting several potential providers before making a selection
- D. Finding a trusted local business agent to help in the search

Answer: D

NEW QUESTION 9

- (Topic 1)

Which of the following strategies is used primarily for demand planning?

- A. Build-to-order scheduling
- B. Push-pull replenishment
- C. Collaborative planning, forecasting, and replenishment
- D. Vendor-managed inventory

Answer: C

NEW QUESTION 10

- (Topic 1)

The process of gathering data about what customers need and ensuring that desired features are included in the design and initial planning phase of a new product or service is known as:

- A. a quick response program.
- B. quality function deployment.
- C. total quality management.
- D. early supplier involvement.

Answer: B

NEW QUESTION 10

- (Topic 1)

An advantage of using a third-party logistics service (3PL) is improved:

- A. on-time delivery of shipments due to higher inventory levels.
- B. cost structure due to economies of scale.
- C. access to smaller markets due to localization.
- D. risk visibility due to inventory consolidation.

Answer: B

NEW QUESTION 15

- (Topic 1)

A company has been delivering a global product that no longer appears profitable. Senior management's best response is to:

- A. analyze product profitability by market segment.
- B. discontinue the product based on eroding profitability.
- C. provide additional incentives to the sales force.
- D. increase promotional activity across all markets.

Answer: A

NEW QUESTION 19

- (Topic 1)

A firm wants to lose customers that don't value the unique products and services the firm offers and to attract and retain customers that want what the firm offers. Engaging in this activity should allow the firm to:

- A. create a more loyal customer base.
- B. improve customer satisfaction rates.
- C. increase market share.
- D. target higher-profit customers.

Answer: A

NEW QUESTION 20

- (Topic 1)

A company plans to maximize profitability by charging more for its products at retail locations than on its website. Which of the following segmentation strategies would best support this plan?

- A. Group
- B. Channel
- C. Regional
- D. Location

Answer: :B

NEW QUESTION 24

- (Topic 1)

Using an independent service provider for logistics would be most appropriate in which of the following situations?

- A. A shoe company that wants to penetrate a foreign market
- B. A business that owns plants and warehouses globally
- C. A financial services company that wants to expand its services
- D. A cable television company that wants to add services

Answer: A

NEW QUESTION 27

- (Topic 1)

Which of the following indicators is most appropriate to use as a measure of supply chain utilization?

- A. Production equipment productivity
- B. Net asset turnover
- C. Value-added productivity per employee
- D. Upside flexibility

Answer: B

NEW QUESTION 32

- (Topic 1)

Which of the following factors typically is the most significant impediment to implementing collaborative commerce?

- A. Technology barriers
- B. Security
- C. Corporate culture
- D. Return on investment (ROI)

Answer: :C

NEW QUESTION 36

- (Topic 1)

Incorporating supplier input into product and process design helps to:

- A. maintain quality.
- B. stabilize product costs.
- C. reduce time to market.
- D. save costs to the buyer.

Answer: C

NEW QUESTION 40

- (Topic 1)

The primary reason for the evolution of the supply chain is:

- A. fewer rejects due to poor quality.
- B. increased on-time delivery.
- C. increased cost savings.
- D. increased communication.

Answer: D

NEW QUESTION 44

- (Topic 1)

The probability of customer dissatisfaction is highest when which of the following conditions exists?

- A. Customer expectations are clearly defined.
- B. Supplier execution is too low.
- C. There is a gap between expected performance and perceived performance.
- D. There is a gap between what was indicated and what was accomplished.

Answer: C

NEW QUESTION 48

- (Topic 1)

Which of the following benefits of supplier relationship management typically results from collaboration with a few critical suppliers?

- A. Automation of supplier sales activities
- B. Elimination of formal contracts
- C. Reduction in customer and supplier inventories
- D. Standardization of communications

Answer: C

NEW QUESTION 50

- (Topic 1)

A company's annual cost of goods sold is \$350 million, and inventory carrying cost is 18%. The company averages four inventory turns. The cost savings resulting from increasing inventory turns from four to six would be:

- A. \$29,000,000.
- B. \$15,750,000.
- C. \$10,500,000.
- D. \$ 5,250,000.

Answer: D

NEW QUESTION 54

- (Topic 1)

A manufacturer uses standard costing, and a potential supplier uses activity-based costing. This difference most likely will have implications for which of the following types of future decisions?

- A. Price concessions
- B. Make-or-buy
- C. Distribution warehouse locations
- D. Freight terms

Answer: B

NEW QUESTION 59

- (Topic 1)

The factors to consider in the make-or-buy decision include costs, proprietary knowledge, and:

- A. design history.
- B. available capacity.
- C. inventory balance.
- D. warehouse location.

Answer: B

NEW QUESTION 62

- (Topic 1)

The primary reason for a firm to pursue strategic supply chain activities is to:

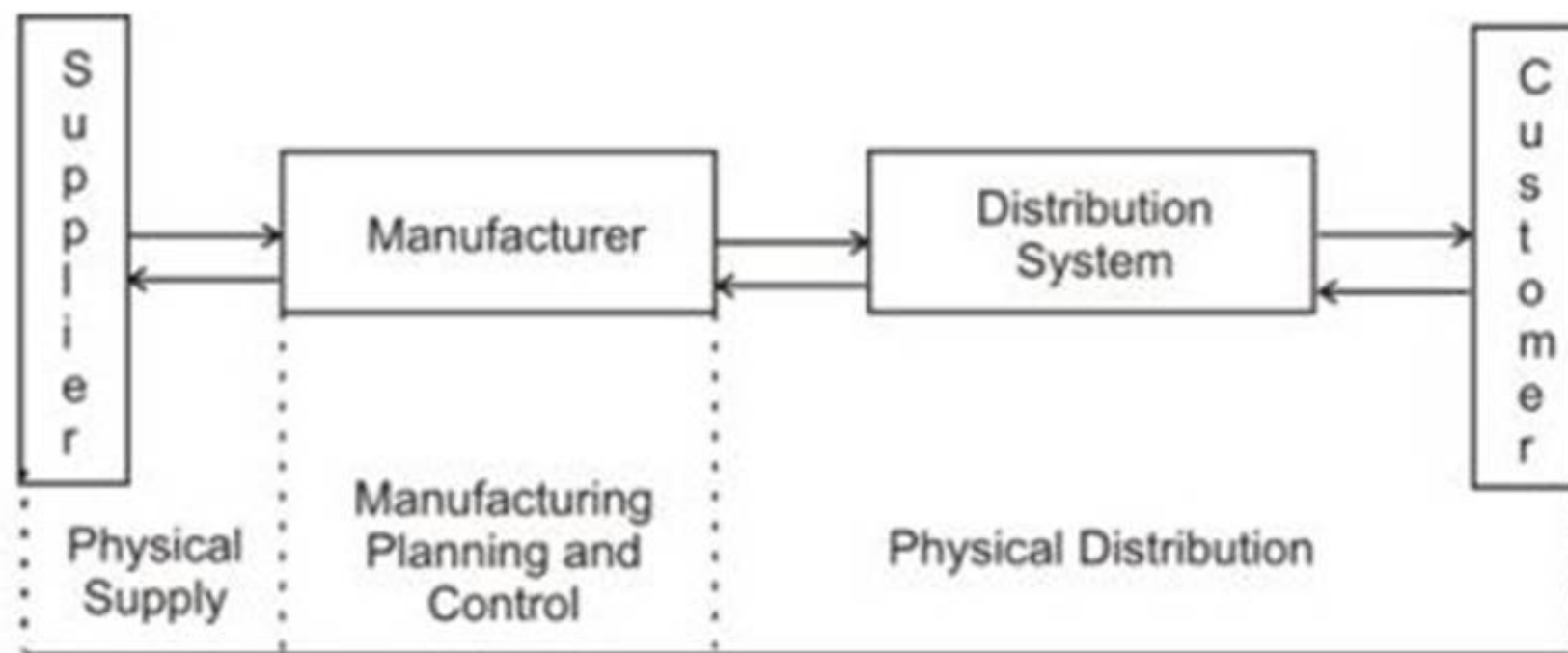
- A. gain competitive advantage.
- B. reduce costs.
- C. increase productivity.
- D. decrease product lead time.

Answer: A

NEW QUESTION 65

- (Topic 1)

The question below is based on the following flowchart:



Which of the following phrases most accurately describes the complete flow of demand information?

- A. From supplier to customer
- B. From customer to manufacturer
- C. From customer to supplier
- D. From supplier to manufacturer

Answer: C

NEW QUESTION 67

- (Topic 1)

What is the primary role of marketing in supporting supply chain management?

- A. Selecting favored supplier partners
- B. Developing efficient customer channels
- C. Focusing on short-term forecasting accuracy
- D. Working with research and development on slow-moving products

Answer: B

NEW QUESTION 72

- (Topic 1)

Which of the following customer relationship management activities most appropriately is used for revenue generation?

- A. Generating customer leads
- B. Generating graphic sales models
- C. Measuring customer preferences
- D. Identifying customer margins

Answer: A

NEW QUESTION 76

- (Topic 1)

Maintaining a long-term collaborative relationship with a trading partner requires:

- A. formal and informal communication.
- B. interconnected information systems.
- C. one partner regularly exercising power.
- D. standardized terms of agreement.

Answer: A

NEW QUESTION 77

- (Topic 1)

Risk pooling enables a lower total inventory level without affecting service levels based on which of the following assumptions?

- A. Inventory turnover ratio can be reduced.
- B. Aggregate demand is more accurate than disaggregate demand.
- C. The planning time fence can be adjusted as needed.
- D. The supplier shares some risk for holding inventory.

Answer: B

NEW QUESTION 82

- (Topic 1)

Which of the following levels in a supply chain network represents the most upstream external activity?

- A. Supplier to contractor
- B. Manufacturing to supplier
- C. Customer to distribution
- D. Customer to contractor

Answer: A

NEW QUESTION 87

- (Topic 1)

Compared to mass-media marketing, customer relationship management has the advantage of allowing the organization to:

- A. compete for customers based on service.
- B. reach a larger number of potential customers.
- C. reduce inventory to improve cash flow.
- D. focus on attracting new customers.

Answer: A

NEW QUESTION 90

- (Topic 2)

Which of the following strategies would increase overall supply chain risk?

- A. Single sourcing a product that makes the highest annual profit
- B. Outsourcing a product that is not well suited to your operations
- C. Identify multiple sources for a product that has a potential for supply chain disruption
- D. Internally manufacturing a product that has a high level of technical intellectual property

Answer: A

NEW QUESTION 93

- (Topic 2)

Potential customers of a company's new product have tight tolerance requirements. The company plans to purchase a critical component. To meet customer requirements, the company should first:

- A. implement statistical process control for the component.
- B. bring manufacturing of the critical component in-house.
- C. develop an alternate source of supply.
- D. certify the supplier of the component.

Answer: D

NEW QUESTION 94

- (Topic 2)

What are the steps in the supplier relationship process?

- A. Measure, fulfill, document, model
- B. Source, document, manage
- C. Measure, procure, fulfill, model
- D. Source, procure, fulfill, manage

Answer: D

NEW QUESTION 98

- (Topic 2)

The strategy to implement supplier relationship management has been developed. The most appropriate next step is to:

- A. develop criteria for prospective partners.
- B. develop policies for alliances.
- C. select initial partners.
- D. conduct a pilot implementation.

Answer: A

NEW QUESTION 103

- (Topic 2)

A company produces and distributes a family of soft drinks in a single country. It has developed and will introduce a new family of soft drinks for weight- and health-conscious individuals. There currently are no competitors with nationwide distribution for this category of soft drinks. Which of the following supply chain strategies would be most appropriate for the two product families?

- A. Produce both product families to forecast and push through the distribution system.
- B. Produce both product families only after receipt of a distributor order.
- C. Produce the current product family to forecast and the new product family to order.
- D. Produce the current product family to order and the new product family to forecast.

Answer: C

NEW QUESTION 106

- (Topic 2)

In the Supply Chain Operations Reference-model (SCOR®), the cash-to-cash cycle time for a manufacturing company is the number of days between which two of the following situations?

- A. Paying for raw materials and getting paid for the product
- B. Shipping the product from the warehouse and receiving it at the customer's location
- C. Paying for raw materials and sending an invoice to the customer
- D. Billing the customer and getting paid for the product

Answer: A

NEW QUESTION 111

- (Topic 2)

Which of the following actions is in accordance with the Ten Principles in the United Nations (UN) Global Compact?

- A. Preventing a group of employees from forming a collective bargaining (union) group
- B. Paying different wages in different parts of the world for a given job classification
- C. Requiring an individual to pay a fee for consideration in hiring or promotion decisions
- D. Withholding certain employment opportunities from specific groups of people

Answer: B

NEW QUESTION 113

- (Topic 2)

Which of the following actions would be most appropriate for an enterprise that has successfully integrated internal supply chain management systems and functions?

- A. Focusing on reducing setup times
- B. Implementing a firewall to limit access to supply and demand data
- C. Working with key suppliers to reduce costs and lead times
- D. Working with trading partners to reduce channel redundancies

Answer: C

NEW QUESTION 116

- (Topic 2)

Managing supply chain risks includes which of the following activities?

- A. Developing alternatives to key suppliers
- B. Setting aside funds for disruption-recovery efforts
- C. Charging each supply chain partner a portion of risk cost
- D. Creating extra inventory to cover disruptions in the supply chain

Answer: A

NEW QUESTION 121

- (Topic 2)

Allowing for organizational restructuring is an example of which of the following steps in creating successful strategic alliances among suppliers?

- A. Managing multifaceted relationships
- B. Negotiating a win-win deal
- C. Planning for change
- D. Conducting pulse checks

Answer: C

NEW QUESTION 126

- (Topic 2)

A company closely monitors supplier performance and notices recent late deliveries from one supplier. The supplier discloses flood damage at the plant. The company quickly shifts sourcing to a new supplier and has minimal loss of sales. Which of the following risk strategies reflects the company's actions?

- A. Achieving low cost through reaction
- B. Creating an adaptive supply chain community
- C. Reducing supply chain vulnerability
- D. Investing in redundancy

Answer: B

NEW QUESTION 131

- (Topic 2)

Which of the following processes would a company use to evaluate the risk profile for end- of-life planning for a product family?

- A. Distribution requirements planning
- B. Sales and operations planning
- C. Rough-cut capacity planning

D. Production activity control

Answer: B

NEW QUESTION 135

- (Topic 2)

The United Nations Global Compact uses 10 guiding principles to:

- A. reduce uncertainty for multinational firms regarding legal, import/export, labor, and environmental standards across countries.
- B. set minimum levels of compliance across a broad range of transactional areas for businesses operating in multiple geographic regions.
- C. align the needs of businesses to increase profitability and the needs of individual countries to ensure their specific legal requirements are met.
- D. help ensure that markets, commerce, technology, and finance promote advancement of economies and societies everywhere.

Answer: D

NEW QUESTION 140

- (Topic 2)

A company wants to implement a system for managing environmental compliance with legislative and regulatory requirements. Which of the following sustainability tools is most appropriate?

- A. ISO 14000
- B. Global Reporting Initiative (GRI)
- C. ISO 26000
- D. UN Global Compact

Answer: A

NEW QUESTION 145

- (Topic 2)

A company that sells direct to industrial and commercial businesses has become successful by being responsive to the needs of its customers. The company currently produces in each country all of the products it sells in that country. Several countries in which the company operates have negotiated an agreement to establish a trading bloc. Which of the following actions by the company would be most appropriate if the agreement is implemented?

- A. Consolidate production outside the trading bloc to reduce total costs.
- B. Consolidate production within the trading bloc to reduce tariffs paid.
- C. Outsource the production of products with low sales volumes to reallocate capacity.
- D. Reassign products so that each is produced in a single facility within the trading bloc to get economies of scale.

Answer: D

NEW QUESTION 149

- (Topic 2)

It is most appropriate to measure spending per customer as a proportion of profitability during which of the following phases of a supplier/customer relationship?

- A. Customer acquisition
- B. Customer retention
- C. Customer dependency
- D. Strategic customer care

Answer: B

NEW QUESTION 152

- (Topic 2)

A company is formally adhering to the principles of the UN Global Compact. After a review of their supply chain, they have found that a key supplier is in violation of the compact. The best action for the company to do first is:

- A. do nothing
- B. The company is not responsible for compliance of suppliers.
- C. replace the supplier as soon as possible with a compliant supplier.
- D. notify the supplier of non-compliance.
- E. require the supplier to become compliant.

Answer: C

NEW QUESTION 156

- (Topic 2)

The customer who provides point-of-sale data remains the sole decision-maker regarding order quantities when what type of inventory strategy is used?

- A. Continuous replenishment
- B. Advanced continuous replenishment
- C. Vendor-managed replenishment
- D. Quick response

Answer: D

NEW QUESTION 160

- (Topic 2)

When doing international business, a company's total line-haul costs will vary with the:

- A. weight shipped.
- B. distance shipped.
- C. pallets shipped.
- D. volume shipped.

Answer: B

NEW QUESTION 165

- (Topic 2)

When an importer and manufacturer are operating in a free trade zone, payment of a customs duty is triggered when products are:

- A. returned.
- B. assembled.
- C. stored.
- D. distributed.

Answer: D

NEW QUESTION 168

- (Topic 2)

The most important challenge to consider when sourcing globally is:

- A. the identification of sources capable of producing the materials.
- B. the availability of low-cost labor and energy.
- C. complying with specific import/export issues.
- D. balancing the difference between piece price and total cost.

Answer: D

NEW QUESTION 171

- (Topic 2)

The process used to determine the impact of promotions, price discounts, and rebates on demand forecasts commonly is referred to as demand:

- A. planning.
- B. forecasting.
- C. aggregating.
- D. shaping.

Answer: D

NEW QUESTION 174

- (Topic 2)

Direct shipment distribution typically offers which of the following advantages?

- A. Risk pooling is facilitated.
- B. Demand variability is reduced.
- C. Service levels are increased.
- D. Lead times are reduced.

Answer: D

NEW QUESTION 179

- (Topic 2)

The globalization of a supply chain typically increases uncertainty and:

- A. production lead time.
- B. local competition.
- C. documentation complexity.
- D. product standardization.

Answer: C

NEW QUESTION 182

- (Topic 2)

An increase in the inventory turnover rate for a supply chain typically would indicate that there has been a reduction in:

- A. prices to the end user.
- B. supply chain cost of sales.
- C. the manufacturer's inventory.
- D. the total supply chain inventory.

Answer: D

NEW QUESTION 186

- (Topic 2)

Which of the following ISO standards is used to assist organizations with sustainable development?

- A. ISO 31000
- B. ISO 14001
- C. ISO 26000
- D. ISO 9001

Answer: C

NEW QUESTION 191

- (Topic 2)

An effective procurement strategy for commodity products should focus on:

- A. driving down cost and reducing risk.
- B. spreading purchases equally across suppliers.
- C. selecting primary and alternate sources.
- D. selecting suppliers with value-added products.

Answer: A

NEW QUESTION 195

- (Topic 2)

Implementation of supply chain applications based on which of the following technologies is most likely to have the lowest fixed costs?

- A. Best of breed packages
- B. One integrated package
- C. Service-oriented architecture
- D. Software-as-a-service

Answer: D

NEW QUESTION 200

- (Topic 2)

The demand side of a traditional warehouse management system primarily is concerned with:

- A. receiving incoming goods.
- B. assigning storage locations.
- C. assembling outbound orders.
- D. forecasting product demand.

Answer: C

NEW QUESTION 202

- (Topic 2)

Which of the following factors typically is most important in successfully implementing sales and operations planning (S&OP)?

- A. Involvement of specialists from all functional groups within an organization
- B. Creation of a dedicated S&OP organizational unit
- C. Involvement and accountability at senior management level
- D. Focus on 3 months to 18 months in the future

Answer: C

NEW QUESTION 204

- (Topic 2)

Component commonality in manufacturing primarily allows a company to:

- A. optimize production runs for the components.
- B. use less-specialized machinery.
- C. decrease single-minute exchange of die processes.
- D. increase planning and control.

Answer: A

NEW QUESTION 209

- (Topic 2)

A company that is focused on customer relationship management is most likely to take which of the following actions for customers who have been profitable over time?

- A. Reduce the cost of serving them.
- B. Target them for higher margin services.
- C. Target them for greater attention.
- D. Charge them for administrative services used.

Answer: C

NEW QUESTION 212

- (Topic 2)

A toy company decides to buy more products from an overseas company to reduce costs. To make sure that goods clear customs more quickly, the company most likely would engage a:

- A. consolidator.
- B. overseas carrier.
- C. shipping association.
- D. freight forwarder.

Answer: D

NEW QUESTION 213

- (Topic 2)

A business is changing from a business to business model to a business to consumer model. Which of the following statements about this supply chain change is true?

- A. Returns from customers will decrease.
- B. Number of supplier orders will increase.
- C. Number of customer orders will increase.
- D. Average supplier order size will increase.

Answer: C

NEW QUESTION 218

- (Topic 2)

A firm is undertaking a revision of its financial metrics to make them more comprehensive and has decided to use metrics such as return on investment (ROI), return on assets (ROA), and economic value added (EVA). This is an example of utilizing which of the following types of metrics?

- A. Activity based
- B. Stakeholder focused
- C. Financial sustainability
- D. Value chain

Answer: C

NEW QUESTION 219

- (Topic 2)

Which of the following outcomes occurs when direct shipping is used instead of a distribution network?

- A. Outbound transportation cost is reduced.
- B. Inventory velocity is reduced.
- C. Order-fill rates are reduced.
- D. Inventory obsolescence is reduced.

Answer: D

NEW QUESTION 221

- (Topic 3)

Which of the following actions best exemplifies an appropriate demand management strategy?

- A. Reducing costs in the procurement of goods
- B. Prioritizing demand when supply is constrained
- C. Maximizing sales orders from customers
- D. Updating the sales and operations planning (S&OP) to changes in production capacity

Answer: B

NEW QUESTION 222

- (Topic 3)

Which of the following outcomes is an advantage of automating the request-for-quote process?

- A. Reducing cycle time
- B. Disposing of excess inventories
- C. Centralization of product service content
- D. Enabling contract management

Answer: A

NEW QUESTION 226

- (Topic 3)

A company is having trouble with raw material deliveries and decides to develop a supplier certification program. The certification process most appropriately

would start with which of the following suppliers?

- A. Suppliers of "A" classified items
- B. Suppliers recently ISO 9000-certified
- C. Suppliers with the worst performance records
- D. Competitors of suppliers with the worst performance records

Answer: A

NEW QUESTION 227

- (Topic 3)

Which of the following behaviors is appropriate for a progressive company that is responding to changes in its supply chain?

- A. Pursuing cost reduction continuously
- B. Developing multiple supply chains for different product lines
- C. Ensuring demand before committing to a change in the supply chain
- D. Designing products for maximum lifetime

Answer: B

NEW QUESTION 232

- (Topic 3)

Customer demand is 120 units per week. The company works on a 9-hour shift per day, 5- day per week basis. Each shift has a ½-hour lunch break and two 15-minute coffee breaks. The cycle time is 12 minutes. To meet demand, production must occur at the rate of one unit every:

- A. 12 minutes.
- B. 20 minutes.
- C. 22.5 minutes.
- D. 28 minutes.

Answer: B

NEW QUESTION 234

- (Topic 3)

Qualitative forecasting methods are most appropriate for projecting demand for:

- A. commodity products.
- B. families of products.
- C. breakthrough products.
- D. raw materials.

Answer: C

NEW QUESTION 237

- (Topic 3)

A company understates current revenue forecasts and delays the delivery of orders to meet the forecast. The most likely result of this practice is that shipments will peak:

- A. at the beginning of reporting periods.
- B. randomly throughout reporting periods.
- C. at both the beginning and end of reporting periods.
- D. at the end of reporting periods.

Answer: A

NEW QUESTION 242

- (Topic 3)

Implementation of supplier relationship management is most successful when a company emphasizes which of the following two factors?

- A. Cost reduction and product design
- B. Quality and partnerships
- C. Technology and productivity
- D. Capital investments and global expansion

Answer: B

NEW QUESTION 244

- (Topic 3)

Functional products require which of the following types of supply chain process?

- A. Restrictive
- B. Innovative
- C. Efficient
- D. Integrated

Answer: :C

NEW QUESTION 247

- (Topic 3)

A manufacturer is evaluating outsourcing production of high-volume components. Outsourcing production will likely require an increase in total supply chain inventory for the components due to an increase in:

- A. demand.
- B. lead time.
- C. quality.
- D. suppliers.

Answer: B

NEW QUESTION 251

- (Topic 3)

A company operates under a make-to-order policy, and its supplier operates under a make- to-stock policy. Which of the following risks poses the greatest threat?

- A. Inventory risk for the company
- B. Inventory risk for the supplier
- C. Debt leverage risk for the company
- D. Debt leverage risk for the supplier

Answer: B

NEW QUESTION 253

- (Topic 3)

To ensure a successful relationship, trading partners must adapt their organizations to leverage advantages found in cross-supply-chain collaboration because:

- A. customers and suppliers are not interactive.
- B. cross-functional support can be offered only by the central source.
- C. all entities are collectively responsible for growth of revenue and profits.
- D. risks in supplier/customer negotiations are reduced.

Answer: :C

NEW QUESTION 256

- (Topic 3)

Which of the following factors is the most important driver of supply chain change?

- A. Health and safety concerns
- B. Competitor actions
- C. Government regulations
- D. Customer perceptions of value

Answer: D

NEW QUESTION 259

- (Topic 3)

Which of the following methodologies is most appropriate to use to drive continuous improvement?

- A. Define-measure-analyze-improve-control process
- B. Kanban
- C. Poka-yoke
- D. Pareto analysis

Answer: A

NEW QUESTION 262

- (Topic 3)

Which of the following attributes is an example of both supply and operational risk?

- A. Quality
- B. Order quantities
- C. Robust processes
- D. Product mix

Answer: A

NEW QUESTION 266

- (Topic 3)

The most appropriate frequency for the sales and operations planning process typically is:

- A. weekly.
- B. monthly.
- C. quarterly.
- D. annually.

Answer:

B

NEW QUESTION 269

- (Topic 3)

A juice manufacturer wants to determine the time required to convert a dollar spent on materials into a dollar received in sales. Which of the following metrics would be most appropriate to make this determination?

- A. Activity-based costing
- B. Inventory carrying cost
- C. Cash-to-cash cycle time
- D. Average financial turnover

Answer: C

NEW QUESTION 272

- (Topic 3)

Use of consistent performance measures among trading partners is a best practice to:

- A. share data among information systems faster.
- B. manage collaboration and continuous improvement.
- C. reduce the time to introduce new products.
- D. increase the flexibility to collaborate with customers.

Answer: B

NEW QUESTION 277

- (Topic 3)

Which of the following performance indicators can be used to measure the effectiveness of a vendor-managed inventory program?

- A. Number of inventory receipts
- B. Inventory usage
- C. Inventory returns
- D. In-stock rate

Answer: D

NEW QUESTION 281

- (Topic 3)

Supplier certification procedures verify that a supplier:

- A. is ISO certified.
- B. implements, documents, and improves procedures related to customer requirements.
- C. tracks manufacturing processes, including bills of material and routings to support the processes.
- D. manufactures products to the specifications shown on engineering documents and bills of material.

Answer: B

NEW QUESTION 282

- (Topic 3)

When establishing third-party and fourth-party logistics relationships, a firm should avoid providers who:

- A. use a proprietary information system.
- B. constantly update their information technology and equipment.
- C. provide extensive reporting on each customer interaction.
- D. meet customer requirements through regional warehousing.

Answer: A

NEW QUESTION 283

- (Topic 3)

Organizations that change from a traditional purchasing perspective to a supply chain perspective most likely will adopt techniques related to:

- A. product pricing.
- B. value stream analysis.
- C. centralized decision making.
- D. sourcing multiple suppliers.

Answer: B

NEW QUESTION 288

- (Topic 3)

A company recently faced an increase in backorders. The company's marketing department recently ran a sales promotion. The purchasing and planning departments were not aware of the promotional activity. Which of the following processes will help to solve this type of problem in the future?

- A. Sales and operations planning (S&OP)

- B. Advanced planning and scheduling (APS)
- C. Supplier relationship management (SRM)
- D. Customer relationship management (CRM)

Answer: A

NEW QUESTION 292

- (Topic 3)

Which of the following factors should be considered when establishing an inventory policy?

- A. Customer demand
- B. Selling price history
- C. Historical service levels
- D. Number of customers

Answer: A

NEW QUESTION 297

- (Topic 3)

The primary benefit a company is likely to achieve when setting time fences is:

- A. reducing lead time.
- B. providing a steady schedule for suppliers.
- C. interpreting forecast properly.
- D. maintaining a stable flow.

Answer: :D

NEW QUESTION 299

- (Topic 3)

Market segmentation is important within the logistics function because it:

- A. leads to profitable exchanges with the customer and creates intrinsic customer value
- B. supports transactional marketing priorities for successful commodity exchanges to customers globally
- C. enables companies to position their products throughout the distributor network based on customer need
- D. creates perception in the mind of the customer as available products and services are exchanged

Answer: C

NEW QUESTION 302

- (Topic 3)

A firm has identified key benefits for developing a strategic alliance and has selected appropriate supply chain partners. Which of the following actions should the firm take to build a successful alliance with a supplier who is also a competitor?

- A. Establish an internal committee to limit shared information.
- B. Negotiate contracts that maximize the firm's profits.
- C. Instruct employees to ignore the competitive aspect of the relationship.
- D. Encourage employees to cooperate with the supplier.

Answer: :D

NEW QUESTION 307

- (Topic 3)

Which of the following activities is an important phase of product life-cycle management?

- A. Developing supplier relationships
- B. Implementing performance measurements
- C. Designing supply chain logistics
- D. Incorporating key design elements

Answer: D

NEW QUESTION 312

- (Topic 3)

Pull strategy typically would be the most appropriate strategy when customer demand uncertainty is:

- A. high, and supplier lead time is long.
- B. high, and supplier lead time is short.
- C. low, and supplier lead time is long.
- D. low, and supplier lead time is short.

Answer: B

NEW QUESTION 315

- (Topic 3)

Which of the following technologies directly enables pulling products through the supply chain?

- A. Automatic identification system (AIS)
- B. Point of sale (POS) system
- C. Customer relationship management (CRM)
- D. Supply chain event management (SCEM)

Answer: B

NEW QUESTION 320

- (Topic 3)

A distribution requirements planning system is implemented primarily to monitor or manage:

- A. supplier capacity.
- B. customer demand.
- C. inventory replenishment.
- D. demand variation.

Answer: C

NEW QUESTION 321

- (Topic 3)

A company has an asset turnover ratio of 1.8, inventory of \$3,000, a 20% profit margin, and \$5,000 in total assets. What is the total sales volume for the company?

- A. \$ 5,400
- B. \$ 9,000
- C. \$15,000
- D. \$25,000

Answer: B

NEW QUESTION 326

- (Topic 3)

A company used Global Reporting Initiative guidelines to complete a self-assessment. Which of the following actions would be the most appropriate next step?

- A. Share information with all stakeholders
- B. Obtain top management support
- C. Identify action items
- D. Conduct gap analysis

Answer: D

NEW QUESTION 329

- (Topic 3)

Which of the following approaches most likely will help a company reduce its cost of sales while increasing customer loyalty?

- A. Business process design
- B. Business development mapping
- C. Customer relationship management
- D. Sales contact management

Answer: C

NEW QUESTION 331

- (Topic 3)

How does a mass customization product design strategy relate to component commonality, modular design, and product universality?

- A. Modular design is necessary for mass customization.
- B. Component commonality does not support mass customization.
- C. Universality is a prerequisite for mass customization strategy.
- D. Both universality and modular design are required for mass customization.

Answer: A

NEW QUESTION 333

- (Topic 3)

Which of the following conditions are most indicative of a company that is effectively managing its cash?

- A. Low accounts receivable, low inventory, high accounts payable
- B. High accounts receivable, low inventory, high accounts payable
- C. Low accounts receivable , high inventory, low accounts payable
- D. High accounts receivable, high inventory, low accounts payable

Answer: A

NEW QUESTION 337

- (Topic 3)

A company is aggressively pursuing improvements in the financial performance of its supply chain. The company should first focus its efforts on which of the following metrics?

- A. Process takt time
- B. Cycle count accuracy
- C. Number of inventory turns
- D. Number of first-tier suppliers

Answer: C

NEW QUESTION 340

- (Topic 3)

In an assemble-to-order manufacturing environment, the master production schedule is typically the schedule of:

- A. resources.
- B. customer orders.
- C. components and subassemblies.
- D. the final assembly.

Answer: C

NEW QUESTION 343

- (Topic 3)

Which of the following costs is an example of ordering cost?

- A. Inspection labor
- B. Obsolescence
- C. Cost of capital invested
- D. Insurance

Answer: A

NEW QUESTION 345

- (Topic 3)

Purchased component standardization generates savings primarily by reducing:

- A. assembly costs through economies of scale.
- B. engineering costs due to lower testing requirements.
- C. inventory control costs due to smaller shelf space requirements.
- D. inventory transportation costs by using economical modes.

Answer: A

NEW QUESTION 346

- (Topic 3)

A master production schedule serves a company best by functioning as a:

- A. dispatch list.
- B. forecast system buffer.
- C. priority planning tool.
- D. supplier scheduling system.

Answer: C

NEW QUESTION 349

- (Topic 3)

Which of the following situations is a consequence of global operations?

- A. Decreased logistic cost
- B. Increased logistic complexity
- C. Reduced product variety
- D. Longer lead times

Answer: B

NEW QUESTION 350

- (Topic 3)

A manufacturer of fast-moving consumer goods wants to implement a process improvement method to increase flexibility and decrease the risk of obsolete inventory. Which of the following approaches is most likely to help reach these goals?

- A. Lean manufacturing
- B. Advanced planning and scheduling
- C. Six sigma
- D. Total quality management

Answer: A

NEW QUESTION 352

- (Topic 3)

Which of the following metrics would be most appropriate for a group of trading partners that is trying to gain competitive advantage through supply chain reliability?

- A. Cash-to-cash cycle time
- B. Supply chain response time
- C. Order-fill rate performance
- D. Value-added productivity per employee

Answer: C

NEW QUESTION 356

- (Topic 3)

A retailer wants to partner with its suppliers to implement automatic replenishment of inventories and joint sales forecasts. Which of the following supply chain management technologies most likely would support the retailer's strategy?

- A. Advanced planning and scheduling
- B. Collaborative planning, forecasting, and replenishment
- C. Supplier relationship management applications
- D. Radio frequency identification (RFID) tags

Answer: B

NEW QUESTION 361

- (Topic 3)

The lowest-cost supply network design requires balancing inventory costs and which of the following types of costs?

- A. Administrative
- B. Manufacturing
- C. Transportation
- D. Sales and marketing

Answer: :C

NEW QUESTION 363

- (Topic 3)

Effective sales and operation planning (S&OP) is most likely to result in which of the following benefits?

- A. Better customer service
- B. Better product quality
- C. Lower product cost
- D. Lower work-in-process (WIP) inventory

Answer: A

NEW QUESTION 366

- (Topic 3)

Which of the following manufacturing strategies typically generates the lowest supply chain inventory?

- A. Make to Stock
- B. Assemble to Order
- C. Make to Order
- D. Engineer to Order

Answer: D

NEW QUESTION 369

- (Topic 3)

A company has revenues of \$100,000, which includes 10% supply chain expense and 80% other expenses. Which of the following actions will result in the largest increase in gross profit?

- A. Increase sales by 25%.
- B. Increase sales by 10% and reduce supply chain expense to 8%.
- C. Increase sales by 15% and reduce supply chain expense to 9%.
- D. Reduce supply chain expense to 5%.

Answer: :D

NEW QUESTION 372

- (Topic 3)

A company may reduce its amount of safety stock by:

- A. substituting information for inventory.
- B. increasing the number of retailers.
- C. increasing the number of producers.
- D. changing to a push system.

Answer: A

NEW QUESTION 375

- (Topic 3)

Which of the following tools is most appropriate to use to determine projects that will achieve the greatest net benefits?

- A. Pareto diagram
- B. Fishbone diagram
- C. Process flow diagram
- D. Operation process chart

Answer: A

NEW QUESTION 377

- (Topic 3)

A large, global third party logistics provider (3PL) is contemplating the switch to the use of ethanol-based fuel in its truck fleet and wants to identify the impact of this change on food prices. Which of the following attributes of the triple bottom line (TBL) are part of this trade off decision?

- A. Organizational, financial and social
- B. Social, financial and environmental
- C. Social, environmental and organizational
- D. Organizational, financial and environmental

Answer: B

NEW QUESTION 381

- (Topic 3)

Before discontinuing a product based on activity-based cost calculations, one should primarily consider the effects upon:

- A. activity-based cost calculations of other products.
- B. value stream mapping of complementary products.
- C. research and development (R&D) costs of new products.
- D. overhead absorption rates across product lines.

Answer: A

NEW QUESTION 385

- (Topic 3)

A procurement manager wants to reduce costs on commodity items. Which of the following actions is likely to result in the greatest savings?

- A. Conducting a supplier review and recertification
- B. Renegotiating contracts with commodity suppliers
- C. Standardizing and eliminating redundant items
- D. Leveraging group purchasing power

Answer: D

NEW QUESTION 389

- (Topic 3)

Which of the following variables is the most appropriate customer-facing goal used to determine the target inventory level?

- A. Inventory turns
- B. Level of service
- C. Total delivery cost
- D. Delivery lead time

Answer: B

NEW QUESTION 393

- (Topic 3)

Which of the following actions by trading partners is most likely to reduce the goods that will be processed by the reverse supply chain?

- A. Contracting with a third party to process returned goods
- B. Designing products that are easy to disassemble
- C. Working to delay regulations that require accepting returns
- D. Providing support and service that meet customer needs

Answer: D

NEW QUESTION 398

- (Topic 3)

Which of the following actions is most likely to improve the cash-to-cash cycle time?

- A. Find suppliers with lower total cost of ownership (TCO)
- B. Implement vendor-managed inventory (VMI) with key suppliers
- C. Implement vendor-managed inventory (VMI) with key customers
- D. Establish targeted promotions for the most profitable market segments

Answer: B

NEW QUESTION 400

- (Topic 3)

A manufacturer has direct relationships with its tier 1 suppliers. Which of the following supplier capabilities is a benefit to the manufacturer establishing a direct relationship with lower-tier suppliers?

- A. Provides smaller lot sizes
- B. Provides components with short lead times
- C. Provides Just in Time deliveries
- D. Provides information about impending shifts in the economy

Answer: D

NEW QUESTION 401

- (Topic 3)

Which of the following elements is critical to successfully using a sales and operations planning process?

- A. Focusing on performance of the past 12 to 18 months
- B. Implementing a unified cross-functional plan and process
- C. Implementing bottom-up decision making
- D. Aligning the forecast to the annual budget

Answer: B

NEW QUESTION 405

- (Topic 3)

Use of a centralized distribution center rather than a decentralized distribution network typically results in which of the following consequences?

- A. Distribution system overhead is higher.
- B. Customer delivery time is shorter.
- C. Total transportation costs are lower.
- D. Safety stock levels are lower.

Answer: D

NEW QUESTION 407

- (Topic 3)

Which of the following manufacturing strategies would run the greatest risk of increasing obsolete inventory costs?

- A. Make-to-stock
- B. Assemble-to-order
- C. Make-to-order
- D. Engineer-to-order

Answer: A

NEW QUESTION 410

- (Topic 3)

Which of the following activities occurs as part of the sales and operations planning process?

- A. Time fences are matched to master production schedule horizons.
- B. The next quarter's forecasts are presented by sales staff to finance and operations personnel at the final meeting.
- C. Strategic plans are adjusted based on changing operating situations.
- D. Plans are converted to financial projections and capacity requirements.

Answer: D

NEW QUESTION 414

- (Topic 3)

Which of the following outcomes is an expected benefit of effectively implementing supply chain event management software?

- A. Inventory data are captured in real time.
- B. Files are transferred from one corporation to another.
- C. Notifications of variances from plans are triggered.
- D. Communication protocols between companies are standardized.

Answer: :C

NEW QUESTION 419

- (Topic 3)

Which of the following conditions is most likely to occur shortly after the introduction of an innovative product family?

- A. Forecast errors will be low.
- B. Production lead time will increase.
- C. An inventory buffer will be required.
- D. Demand will be stable.

Answer: C

NEW QUESTION 424

- (Topic 3)

A firm has captured the following information for a product family:

| Product Data | Days |
|-------------------------|------|
| Supply of inventory | 53 |
| Payables outstanding | 25 |
| Receivables outstanding | 34 |
| Time to fill an order | 14 |
| Production lead time | 7 |

The cash-to-cash cycle time is how many days?

- A. 41
- B. 44
- C. 62
- D. 74

Answer: C

NEW QUESTION 426

- (Topic 3)

One of the first steps in devising an effective supply chain strategy within a company is to analyze a product's:

- A. nature of demand.
- B. backlog position.
- C. forecast bias.
- D. sales performance.

Answer: A

NEW QUESTION 428

- (Topic 3)

A firm experiences a supply chain interruption from a second-tier supplier. Which of the following actions is the firm likely to take to minimize future interruptions?

- A. Require the supplier to submit weekly cycle count reports.
- B. Require the supplier to implement a sales and operations planning process.
- C. Map the supplier's supply chain to identify risks and opportunities.
- D. Conduct an ISO 14001 audit of the supplier.

Answer: C

NEW QUESTION 433

- (Topic 3)

A typical advantage of a production outsourcing strategy for a company focusing on agility as a competitive priority is that:

- A. monitoring costs are decreased.
- B. production lead time is increased.

- C. product quality is increased.
- D. product introduction time is decreased.

Answer: D

NEW QUESTION 437

- (Topic 3)

Which of the following activities is forbidden in a foreign trade zone?

- A. Remarketing or repackaging imports to avoid fines
- B. Breaking up large shipments to reduce import duties
- C. Reexporting goods without paying duties
- D. Conducting retail trade

Answer: D

NEW QUESTION 439

- (Topic 3)

An operations manager wants to measure variability in the delivery time of insurance policies to clients. Which of the following quality tools most appropriately would show the level of variability?

- A. Pareto chart
- B. Histogram
- C. Scatterplot
- D. Check sheet

Answer: B

NEW QUESTION 442

- (Topic 3)

Value stream mapping is a useful tool primarily because it:

- A. redefines supply chain relationships.
- B. is completed in 1 or 2 days.
- C. is used to improve efficiency in a specific area.
- D. looks at the entire supply chain rather than an isolated process.

Answer: D

NEW QUESTION 444

- (Topic 3)

The production scheduler for a bottleneck resource should:

- A. schedule additional preventive maintenance for the resource.
- B. ensure a constant queue of work waiting to be processed.
- C. increase production lot sizes to increase utilization of resources.
- D. implement pull signals for production of the bottleneck resource.

Answer: B

NEW QUESTION 449

- (Topic 3)

A primary reason for enhancing supply chain security is to:

- A. meet government requirements.
- B. reduce insurance costs.
- C. improve lead time.
- D. protect brand image.

Answer: D

NEW QUESTION 451

- (Topic 3)

Which of the following statements indicates an attribute of international commercial terms (Incoterms)?

- A. They are required contract terms for international trade.
- B. Each term implies the responsibilities of the buyer and seller.
- C. Discounts and surcharges are identified by the terms.
- D. The terms are reviewed annually by the International Chamber of Commerce.

Answer: B

NEW QUESTION 453

- (Topic 3)

A company produces to stock and sells its products to distributors. The factor that most likely will contribute to the risk of loss in inventory investment is the:

- A. accuracy of demand forecasts.
- B. replenishment lead time.
- C. level of product quality.
- D. variability in supply.

Answer: A

NEW QUESTION 456

- (Topic 3)

Which of the following types of strategies minimizes inventory throughout the supply chain to avoid obsolescence?

- A. Delayed differentiation
- B. Low costs
- C. Location
- D. Response

Answer: A

NEW QUESTION 458

- (Topic 3)

A company uses cash-to-cash cycle time to assess how long it takes from:

- A. receiving inventory from the supplier to paying the invoice from the supplier.
- B. receiving inventory from the supplier to invoicing the customer.
- C. paying the supplier for inventory received to receiving payment from the customer.
- D. invoicing a customer to receiving payment from the customer.

Answer: C

NEW QUESTION 462

- (Topic 3)

A supplier has decided to improve its forecast accuracy by reducing the information lead time from the retailer. Which of the following actions would be most appropriate to achieve the desired result?

- A. Eliminating sales and promotions
- B. Decentralizing demand information
- C. Reducing its quoted lead time
- D. Utilizing electronic data interchange

Answer: D

NEW QUESTION 465

- (Topic 3)

Which of the following principles is a core value of the UN Global Compact?

- A. Anti-Corruption
- B. Profitability
- C. Discrimination
- D. Employment

Answer: A

NEW QUESTION 470

- (Topic 3)

Effective sales and operations planning (S&OP) can contribute most to which of the following objectives?

- A. Increasing product quality
- B. Increasing the number of new customers
- C. Reducing unexpected customer requests
- D. Reducing excess inventory

Answer: D

NEW QUESTION 472

- (Topic 3)

The primary reason to establish a customer-dedicated warehouse is to:

- A. integrate and consolidate an assortment of inventory.
- B. position inventory to improve response time.
- C. balance inventory with consumption.
- D. equalize inbound and outbound logistics costs.

Answer: B

NEW QUESTION 477

- (Topic 3)

Which of the following issues recently has caused companies to rethink implementation or continued use of a Just-in-Time system?

- A. The upward trend in inventory carrying costs
- B. The reduced number of potential suppliers
- C. The elimination of billing documents
- D. Higher transportation costs

Answer: D

NEW QUESTION 478

- (Topic 3)

Which of the following techniques allows users to automate the notification of appropriate parties when exceptions to specific business rules occur?

- A. Enterprise resources planning
- B. Supply chain event management
- C. Advanced planning and scheduling
- D. Automatic identification and data capture

Answer: B

NEW QUESTION 483

- (Topic 3)

Which of the following statements is true when a contract manufacturing agreement is implemented?

- A. There is no longer a need for material requirements planning.
- B. The total cost of acquiring products will decrease.
- C. Communications and project management are key factors for success.
- D. Assets on the contract manufacturer's balance sheet typically will decrease.

Answer: C

NEW QUESTION 484

- (Topic 3)

Which of the following tools is most important in developing strategic sourcing?

- A. Price break analysis
- B. Network analysis
- C. Blanket purchase order
- D. Spend analysis

Answer: D

NEW QUESTION 487

- (Topic 3)

A manufacturer with operations in an area prone to natural disasters is reviewing its sustainability strategy. Which of the following production strategies should the company implement to reduce the risk of supply interruptions?

- A. Centralized
- B. Decentralized
- C. Make-to-order
- D. Engineer-to-order

Answer: B

NEW QUESTION 489

- (Topic 3)

Managing risk should be a strategic part of supply chain management because:

- A. the occurrence of unanticipated risks essentially can be eliminated.
- B. not all members of the supply chain consider and respond to the same types of risks.
- C. substantial financial penalties can be assessed if legal requirements are not met.
- D. it helps to reduce the occurrence and consequences of unplanned negative events.

Answer: :D

NEW QUESTION 491

- (Topic 3)

A project team has received 30 improvement ideas from subject matter experts in the business. Which of the following continuous improvement tools would be most appropriate to use to sequence implementation timing based on an agreed-upon weighted criteria?

- A. Affinity diagram
- B. Matrix diagram
- C. Prioritization matrix
- D. Interrelationship digraph

Answer: C

NEW QUESTION 496

- (Topic 3)

Which of the following reverse logistics activities involves reusing refurbished products?

- A. Return management
- B. Disposal and reclamation
- C. Decomposing and recycling
- D. Remanufacturing and repair

Answer: D

NEW QUESTION 498

- (Topic 3)

Which of the following characteristics typically is a feature of supplier relationship management?

- A. Supplier employees are located at the firm's facilities.
- B. Inventory is verified before the supplier ships the goods.
- C. Performance of both firms is measured and reported regularly.
- D. The supplier is the sole source for the goods.

Answer: C

NEW QUESTION 500

- (Topic 3)

Point-of-sale information fails to measure actual demand most likely because:

- A. holidays interrupt typical sales patterns.
- B. inventory levels are inaccurate.
- C. there is lag time in the system.
- D. data about lost sales cannot be captured.

Answer: D

NEW QUESTION 504

- (Topic 3)

Lean supply chains strive to achieve their objectives by using which of the following approaches?

- A. Inventory optimization
- B. Cost reduction
- C. Waste reduction
- D. Quality function deployment (QFD)

Answer: C

NEW QUESTION 508

- (Topic 3)

The relative speed at which all transactions within the supply chain process occur is known as:

- A. the cycle time.
- B. velocity.
- C. latency.
- D. throughput.

Answer: B

NEW QUESTION 512

- (Topic 3)

In order to optimize delivery routing and load planning as well as to provide advanced shipment notifications (ASN's), which of the following technology platforms should be implemented to plan and manage the above operations?

- A. Electronic Data Interchange (EDI)
- B. Enterprise Resource Planning (ERP)
- C. Event Management System (EMS)
- D. Transportation Management System (TMS)

Answer: D

NEW QUESTION 516

- (Topic 3)

A service company has decided to create a customer-focused business and has identified the following steps in the process:

{exhibit 3860}

Which of the following sequences of steps is correct for implementing the company's decision?

- A. 2, 1, 4, 3, 5
- B. 4, 2, 1, 5, 3
- C. 3, 5, 2, 4, 1

D. 4, 2, 5, 1, 3

Answer: B

NEW QUESTION 520

- (Topic 3)

The most appropriate approach to balance supply and demand over the medium term is:

- A. Enterprise resource planning (ERP)
- B. Business planning
- C. Strategic planning
- D. Sales and operations planning (S&OP)

Answer: D

NEW QUESTION 523

- (Topic 3)

Which of the following supply chain attributes is most appropriate for products with wide variety and highly variable demand?

- A. Efficient
- B. Responsive
- C. Short
- D. Virtual

Answer: B

NEW QUESTION 524

- (Topic 3)

Variability in product design can best be reduced by:

- A. initiating 100% product inspection.
- B. outsourcing the design process.
- C. broadening design specifications.
- D. applying Six Sigma principles.

Answer: D

NEW QUESTION 526

- (Topic 3)

A company plans to benchmark its shipping reliability compared to other companies in the industry. Which measurement is most appropriate to benchmark in this case?

- A. Perfect order fulfillment
- B. Upside supply chain flexibility
- C. Order fulfillment cycle time
- D. Total inventory days of supply

Answer: A

NEW QUESTION 531

- (Topic 3)

During the sales and operations planning (S&OP) horizon, planned inventory can best be used to:

- A. implement a time-phased stock replenishment plan.
- B. allow for consistent production lot sizing.
- C. buffer the company against unknown fluctuations in demand.
- D. minimize storage and transportation costs.

Answer: C

NEW QUESTION 534

- (Topic 3)

Which of the following strategies is most appropriate for managing unknown risks in a global supply chain?

- A. Vertical integration
- B. Technology integration with suppliers
- C. Investing in redundancy
- D. Strengthening supplier relationships

Answer: C

NEW QUESTION 539

- (Topic 3)

A car manufacturer has 40000 cars in inventory, of which 5000 are electric. The manufacturer expects to sell 5000 cars per day, of which 4000 are estimated to be gasoline cars. The days of supply for electric cars is:

- A. 40 days.
- B. 10 days.
- C. 8 days.
- D. 5 days.

Answer: D

NEW QUESTION 542

- (Topic 3)

Outsourcing is most appropriate when a product is:

- A. modular and independent of knowledge and capacity.
- B. modular and dependent on knowledge and capacity.
- C. integral and independent of knowledge and capacity.
- D. integral and dependent on knowledge and capacity.

Answer: A

NEW QUESTION 544

- (Topic 3)

Which of the following processes is included in reverse logistics?

- A. Designing a new product out of recycled material
- B. Restoring a worn-out product to like-new condition
- C. Reducing the amount of packaging material in a product
- D. Eliminating toxic materials in a product

Answer: :B

NEW QUESTION 547

- (Topic 3)

A firm expands distribution of its products into additional countries. Some customers initiate order batching, which could lead to which of the following outcomes?

- A. Bullwhip effect
- B. Price fluctuations
- C. Rationing
- D. Better forecasting

Answer: A

NEW QUESTION 550

- (Topic 3)

An organization is partnering with a supplier. The most appropriate tool to ensure that the supplier has the necessary capabilities is:

- A. a supplier-input-process-output-customer diagram.
- B. supplier certification.
- C. supplier relationship management.
- D. supplier performance evaluation.

Answer: B

NEW QUESTION 554

- (Topic 3)

Which of the following benefits should a supplier expect to receive by becoming a certified supplier?

- A. Reduction in redundant processes with buyer
- B. Increase in price of items sold
- C. Increase in access to competitive information
- D. Reduction in number of items utilizing vendor-managed inventory

Answer: A

NEW QUESTION 556

- (Topic 3)

Which of the following continuous improvement methodologies focuses on reduction of defects by reducing process variation?

- A. Just-in-Time (JIT)
- B. Kaizen
- C. Six Sigma
- D. Theory of constraints

Answer: C

NEW QUESTION 558

- (Topic 3)

Which of the following constituents typically must provide information first to effectively improve supply chain design?

- A. Supplier
- B. Distribution system
- C. Manufacturing
- D. Customer

Answer: D

NEW QUESTION 560

- (Topic 3)

A company that locates manufacturing facilities in different countries so that an economic downturn in one country most likely will be offset by business in another country is employing what type of strategy?

- A. Speculative
- B. Hedge
- C. Flexible
- D. Forecast

Answer: B

NEW QUESTION 561

- (Topic 3)

Which of the following actions is an initial step in a continuous process improvement model?

- A. Creating a flowchart to map the process
- B. Benchmarking against another company
- C. Setting specific performance goals
- D. Developing a realistic project plan

Answer: A

NEW QUESTION 564

- (Topic 3)

The profit margin for a product that is currently made in the company's facility has decreased during the past 2 years. Which of the following factors should be considered when deciding whether to make or buy the product?

- A. Production capabilities
- B. Transportation capabilities
- C. Distribution channels
- D. Landed cost

Answer: D

NEW QUESTION 566

- (Topic 3)

Which of the following steps is first in developing a product differentiation strategy?

- A. Study customer needs
- B. Define customer segments
- C. Determine design modifications
- D. Establish competitive priorities

Answer: A

NEW QUESTION 568

- (Topic 3)

A large bicycle company has outsourced manufacturing and needs to respond immediately to any logistics problems in the supply chain. The best technological solution to meet this need is:

- A. enterprise resources planning.
- B. supply chain event management.
- C. supplier relationship management.
- D. a transportation management system.

Answer: B

NEW QUESTION 572

- (Topic 3)

Which of the following strategies typically will require the lowest inventory investment and deliver the shortest lead time?

- A. Producing finished goods to forecast and shipping directly to customers
- B. Producing finished goods to forecast and distributing through a multi-echelon network
- C. Producing subassemblies to forecast and doing final assembly and shipping from the factory
- D. Producing subassemblies to forecast and doing final assembly and shipping from regional centers

Answer: D

NEW QUESTION 577

- (Topic 3)

A company has adequate average available capacity but does not maintain surge capacity. With a distribution route to manage, which of the following actions will provide the most capacity relief?

- A. Increasing order-fulfillment lead times
- B. Implementing allocation
- C. Increasing prices with a 30-day effective date
- D. Increasing product queue times

Answer: A

NEW QUESTION 582

- (Topic 3)

A company is considering relocating production to a lower-wage country. Volatility in which of the following areas most likely would impact profitability without modifying product landed costs?

- A. Labor costs
- B. Currency exchange rates
- C. Commodity prices
- D. Product quality

Answer: B
Explanation: NEW QUESTIONS

NEW QUESTION 583

- (Topic 3)

Continuous process improvement is characterized by which two of the following key steps?

- A. Quality circles and benchmarking
- B. Process review and supplier audits
- C. Analysis and assessment
- D. Observation and selection

Answer: C

NEW QUESTION 584

- (Topic 3)

A distributor has a network consisting of a central distribution center serving five regional distribution centers that ships to multiple retailers. The distributor wants to reduce inventory while maintaining product availability. Which of the following actions is most likely to produce the desired outcome?

- A. Centralizing inventory for slow-moving items
- B. Reducing the quoted price for slow-moving items
- C. Implementing cross-docking at the central distribution center
- D. Implementing continuous replenishment at the regional centers

Answer: A

NEW QUESTION 587

- (Topic 3)

When evaluating several possible supply chain options, a firm considering the minimal total cost should:

- A. ensure that the inventory levels are as low as possible to minimize holding costs while still providing adequate customer service.
- B. account for the combined costs of holding buffer inventory and incurring inventory shortages.
- C. consider the costs of acquiring, holding, and transporting inventory, and of servicing customers.
- D. place buffer inventory in the lowest cost locations that meet lead time and service level requirements from customers.

Answer: C

NEW QUESTION 590

- (Topic 3)

Value stream mapping provides the most benefit when:

- A. analyzing customer requirements.
- B. identifying nonvalue-added activities.
- C. planning kaizen events.
- D. implementing an information technology strategy.

Answer: B

NEW QUESTION 593

- (Topic 3)

Which of the following circumstances best describes a roadblock to implementing customer relationship management and supplier relationship management?

- A. Concern about conflicts of interest with partners in the supply chain
- B. Lack of defined industry standards
- C. Deterioration of customer service levels

D. Increased access to information for supply chain partners

Answer: A

NEW QUESTION 598

- (Topic 3)

Which of the following actions typically is most important when building a collaborative supply chain?

- A. Investing sufficient capital
- B. Building mutual trust
- C. Integrating information systems
- D. Developing a common culture

Answer: B

NEW QUESTION 603

- (Topic 3)

The logistics value proposition involves matching:

- A. identification of appropriate sourcing partners with service reliability metrics.
- B. activity-based costing practices with supply chain financial strategy.
- C. cost minimization practices with balanced scoreboard performance.
- D. operating competency and commitment with key customer requirements.

Answer: D

NEW QUESTION 604

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