

APICS

Exam Questions CSCP

Certified Supply Chain Professional



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 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 4

- (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 5

- (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 6

- (Topic 1)

Which of the following outcomes is a benefit typically expected of customer relationship management (CRM)?

- A. Reducing the size of the sales force by automating activities
- B. Gaining a better understanding of customer requirements
- C. Implementing automated inter-organizational processes
- D. Focusing sales efforts on the most profitable customers

Answer: B

NEW QUESTION 7

- (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 8

- (Topic 1)

Which of the following results can be expected from sharing a common understanding of demand and consumption patterns among supply chain participants?

- A. Improved transparency of collaboration relationships
- B. Increased performance in balanced scorecard
- C. Reduced inventory levels for key items
- D. Better synchronization of planning and operations

Answer: D

NEW QUESTION 9

- (Topic 1)

A manufacturer can simplify the forecasting process by pooling demand forecasts for a product group and then:

- A. averaging total demand and spreading it evenly across all items.
- B. disaggregating demand to the item level based on marketing input.
- C. disaggregating demand to the item level based on historical proportions.
- D. allocating demand to each production site.

Answer: C

NEW QUESTION 10

- (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 10

- (Topic 1)

Which of the following actions typically would be the first step in implementing the philosophy of customer relationship management?

- A. Creating a customer-centric organization
- B. Developing a map of the customer segments
- C. Documenting the objectives for implementation
- D. Selecting an information technology solution

Answer: A

NEW QUESTION 12

- (Topic 1)

The primary objective of supply chain management is:

- A. minimizing transportation costs.
- B. reducing inventory levels.
- C. taking a systems approach.
- D. implementing advanced technologies.

Answer: C

NEW QUESTION 13

- (Topic 1)

The purpose of continuous improvement in the supply chain is to:

- A. eliminate the root causes of problems.
- B. improve interorganizational communication.
- C. develop better written procedures.
- D. reduce product costs.

Answer: A

NEW QUESTION 17

- (Topic 1)

A media company offers a majority of its movies through a specific distributor. The media company is beginning to produce content for a new foreign market to which the distributor has exclusive access. To maximize savings and gain entry to this new market, the media company should:

- A. create a contract for the new market.

- B. enter into a partnership.
- C. form a strategic alliance.
- D. acquire the distributor.

Answer: C

NEW QUESTION 19

- (Topic 1)

A return material authorization (RMA) policy is used in reverse logistics to:

- A. physically transport returned items by using an efficient transportation mode.
- B. minimize the number of returned items by involving product design and demand forecasting.
- C. reduce the cost of returned items by refusing to accept items that should not be returned.
- D. reclaim substantial value from returned items by recycling.

Answer: C

NEW QUESTION 24

- (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 27

- (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 32

- (Topic 1)

Which of the following considerations is an important supply chain design decision?

- A. Product design
- B. Selecting supporting information systems
- C. Identifying labor force requirements
- D. Identifying training programs

Answer: B

NEW QUESTION 34

- (Topic 1)

Compared to a blanket purchase order, a supplier alliance agreement is best differentiated by:

- A. efficient material replenishment processes.
- B. clearly identified roles for the buyer and seller.
- C. a shared vision of added value.
- D. a sole-source agreement.

Answer: C

NEW QUESTION 35

- (Topic 1)

A firm supplies products and services to a wide variety of industries with varying requirements for responsiveness and reliability. Many customers across these industries are not satisfied with the firm's ability to meet the lead time and on time delivery requirements. Which of the following tools is most appropriate for the firm to use to improve customer service?

- A. Customer service ratio metrics
- B. Market segmentation
- C. Customer relationship management (CRM)
- D. Supply Chain Operations Reference (SCOR®)

Answer: B

NEW QUESTION 36

- (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 37

- (Topic 1)

When designing a supply chain for strategic advantage, a company first should consider:

- A. the impact on customers using Just-in-Time manufacturing.
- B. the financial stability of suppliers.
- C. matching the supply chain to product type.
- D. whether to use custom or standard parts.

Answer: C

NEW QUESTION 39

- (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 42

- (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 45

- (Topic 1)

A company's decision to charge different prices for the same service sold in different market segments is most likely based on which of the following metrics?

- A. Internal rate of return (IRR)
- B. Lifetime customer value (LCV)
- C. Net present value (NPV)
- D. Return on investment (ROI)

Answer: B

NEW QUESTION 50

- (Topic 1)

The value that logistics provides within the supply chain can best be summarized as:

- A. satisfying customer expectations about availability and delivery at an acceptable total cost.
- B. meeting promised location and on-time delivery goals with minimal use of expediting.
- C. establishing inventory and delivery goals with various customers that fulfill the firm's profit objectives.
- D. providing accurate in-transit and delivery information to customers and salespeople.

Answer: A

NEW QUESTION 52

- (Topic 2)

A company currently produces custom goods for a limited market. To increase market share, the company will implement a strategy to reduce the number of products it produces and reduce delivery lead time. The company can increase its chances of achieving the strategy by:

- A. using benchmark data for products in the same product groups.
- B. incorporating results from market surveys.
- C. involving customers in the product design process.
- D. using electronic communications to receive customer complaints.

Answer:

C

NEW QUESTION 55

- (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 57

- (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 61

- (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 65

- (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 70

- (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 73

- (Topic 2)

Which of the following strategies can be used to help manage global risks?

- A. Direct shipment
- B. Cross-docking
- C. Mass customization
- D. Flexibility

Answer: D

NEW QUESTION 74

- (Topic 2)

The mission of the global reporting initiative (GRI) is to provide a:

- A. comparison of key metrics for companies in the same industries across the globe.

- B. feasible business plan that can be shown to global potential investors.
- C. trusted and credible framework for reports regarding sustainability practices.
- D. transparent collaboration between non-profit organizations and governments.

Answer: C

NEW QUESTION 76

- (Topic 2)

Distribution from which of the following types of sites enables goods to enter a country, undergo further modification, and then be exported without paying customs duties?

- A. Public warehouse
- B. Value-added territory
- C. Free trade zone
- D. Customs clearing house

Answer: C

NEW QUESTION 81

- (Topic 2)

The most appropriate reason for a business to comply with the United Nations (UN) Global Compact practices typically would be to:

- A. enhance the competitive advantage.
- B. gain access to proven management tools.
- C. reduce the threat of organized labor.
- D. reduce the cost of operating in multiple countries.

Answer: A

NEW QUESTION 86

- (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 89

- (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 93

- (Topic 2)

A firm has discovered a product quality issue. What should be the first step in responding to this issue?

- A. Determine the root cause of the quality issue.
- B. Separate the non-conforming products.
- C. Trace the location of the faulty product in the supply chain.
- D. Replace faulty products when they are returned by the end user.

Answer: C

NEW QUESTION 96

- (Topic 2)

Inventory parameters established using analytic inventory techniques typically are based on balancing:

- A. supply and dependent demand.
- B. customer service and inventory costs.
- C. transportation and warehousing costs.
- D. inventory levels and decision-making costs.

Answer: B

NEW QUESTION 97

- (Topic 2)

Bar codes and radio frequency identification systems are key technologies in supply chain systems because they perform which of the following functions?

- A. Tracking truck locations on cross-country deliveries
- B. Facilitating timely and accurate data acquisition
- C. Providing paperless invoicing of goods
- D. Producing schedule broadcasts for suppliers

Answer: B

NEW QUESTION 100

- (Topic 2)

Which of the following measures effectively evaluates overall resources in a distribution warehouse?

- A. Throughput
- B. Cube utilization
- C. Filled pallet positions
- D. Labor efficiency

Answer: A

NEW QUESTION 101

- (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 102

- (Topic 2)

In an advanced planning system, which of the following modules feeds the master planning module?

- A. Purchasing planning
- B. Demand planning
- C. Distribution planning
- D. Fulfillment planning

Answer: B

NEW QUESTION 104

- (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 105

- (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 107

- (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 110

- (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 115

- (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 119

- (Topic 2)

What is the primary benefit of using a central storage warehouse for all components rather than using point-of-use storage?

- A. Reduced need for bar codes and radio frequency identification technology
- B. Reduced material handling costs
- C. Ease of control and count accuracy
- D. Maintain a cleaner shop floor

Answer: C

NEW QUESTION 122

- (Topic 3)

Electronic data interchange reduces costs primarily through:

- A. standardization of trading document formats.
- B. adaptability across hardware platforms.
- C. simplified software development.
- D. replacement of proprietary systems.

Answer: A

NEW QUESTION 127

- (Topic 3)

The most significant reason for altering supply chain management practices in an organization would be a change in its:

- A. executive management.
- B. corporate strategy.
- C. profitability of operations.
- D. financial position.

Answer: B

NEW QUESTION 132

- (Topic 3)

Which of the following changes often leads to higher levels of inventory?

- A. Decrease in customer service level
- B. Decrease in vendor lead times
- C. Increase in economies of scale
- D. Increase in warehouse holding costs

Answer: C

NEW QUESTION 133

- (Topic 3)

On-time delivery performance in the supply chain can best be improved by aligning required capacity with what type of capacity?

- A. Demonstrated
- B. Rated
- C. Budgeted
- D. Theoretical

Answer: A

NEW QUESTION 134

- (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 135

- (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 139

- (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 141

- (Topic 3)

A primary objective of customer relationship management is to:

- A. implement market segmentation.
- B. create a data warehouse with critical customer information.
- C. identify customer needs for a greater level of satisfaction.
- D. target product promotions to customer segments.

Answer: C

NEW QUESTION 145

- (Topic 3)

Which of the following export documents is used as the basis for the valuation of goods for insurance purposes and for assessment of duties?

- A. Export license
- B. Export declaration
- C. Bill of lading
- D. Commercial invoice

Answer: D

NEW QUESTION 150

- (Topic 3)

A new sales and marketing director who wants to transform a company into a customer driven organization most likely would consider:

- A. allowing customers to use their preferred channels to interact with the company.
- B. implementing an independent system to capture customer data.
- C. minimizing the number of customer contacts.
- D. focusing product design on manufacturing strengths.

Answer: A

NEW QUESTION 155

- (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 157

- (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 162

- (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 164

- (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 169

- (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 170

- (Topic 3)

A firm has increased finished-goods inventories for several products to compensate for increased variability in demand. The firm analyzed shipment data and determined that the variability was due to a few customers placing large orders for single shipments to obtain discounts. Which of the following actions is the firm most likely to take to maintain sales and reduce variability in demand?

- A. Reducing discounts for large orders
- B. Encouraging high-volume customers to place blanket orders
- C. Implementing extrinsic forecasting methods
- D. Increasing the level of safety stock on high-volume products

Answer: B

NEW QUESTION 171

- (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 176

- (Topic 3)

Which of the following characteristics is typical of a highly complex product when compared with a simple commodity product?

- A. Lower product cost
- B. Longer cycle time
- C. Increased ability to change
- D. Lower profitability

Answer: B

NEW QUESTION 177

- (Topic 3)

Which of the following types of lead times is related most closely to a supplier performance measure?

- A. Fulfillment
- B. Replenishment
- C. Overall
- D. Process

Answer: B

NEW QUESTION 178

- (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 179

- (Topic 3)

A company has outsourced a high volume of assembly work to top-tier suppliers, thereby reducing the overall number of suppliers they directly manage. Which of the following actions must the company perform to mitigate risk?

- A. Monitor lead times at sub-tier suppliers
- B. Maintain direct relationships with sub-tier suppliers
- C. Execute all terms of contracts at sub-tier suppliers
- D. Purchase all critical components for assembly at the company

Answer: B

NEW QUESTION 181

- (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 185

- (Topic 3)

Which of the following factors is the most appropriate measure of delivery performance for finished goods?

- A. Perfect order fulfillment
- B. On-time delivery
- C. Load efficiency
- D. Available-to-promise

Answer: A

NEW QUESTION 188

- (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 191

- (Topic 3)

Which of the following types of supply chains is characterized by difficulty in responding to rapidly changing demand patterns?

- A. Push-based
- B. Pull-based
- C. Innovative
- D. Collaborative

Answer: A

NEW QUESTION 196

- (Topic 3)

A company recently implemented a new supplier rating system. Data was collected from the enterprise resources planning system about each vendor's rating for cost, quality, and delivery over 12 months. A cutoff point was established for poor performers. The responsible purchasing agent then scheduled meetings with each supplier. Which of the following actions is most appropriate to take with suppliers whose ratings were below the cutoff point?

- A. Discuss ways to raise the ratings for the next review period.
- B. Tell the suppliers they are on probation for 3 months.
- C. Immediately cancel outstanding contracts with those suppliers.
- D. Ask the suppliers to explain the poor performance.

Answer: A

NEW QUESTION 198

- (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 202

- (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 205

- (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 210

- (Topic 3)

Standardization of supply chain processes is most likely to facilitate achievement of which of the following activities?

- A. Reducing the total cost of ownership
- B. Tracking the effects of improvement initiatives
- C. Creating project consensus
- D. Understanding of operational metrics

Answer: B

NEW QUESTION 212

- (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 217

- (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 219

- (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 222

- (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 226

- (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 228

- (Topic 3)

A company that desires to implement a strategy for inventory management must define which of the following factors?

- A. Reliability and maintainability requirements
- B. Variability in the customer demand
- C. Overall item effectiveness
- D. Inventory carrying costs

Answer: B

NEW QUESTION 231

- (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 232

- (Topic 3)

Variation in upstream requirements can be reduced by increasing:

- A. demand visibility.
- B. production capacity.
- C. product features.
- D. safety stock.

Answer: A

NEW QUESTION 233

- (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 234

- (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 237

- (Topic 3)

The most common method for coping with demand variability in the manufacture of products with a lengthy cycle time is to have:

- A. higher raw material inventory.
- B. higher finished-goods inventory.
- C. lower finished-goods inventory.
- D. lower raw material inventory.

Answer: B

NEW QUESTION 241

- (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 246

- (Topic 3)

ABC Corporation is implementing a website that connects clothing distributors and retailers with many different garment manufacturers from whom they can buy finished goods. This website would be an example of:

- A. virtual auction site.
- B. intranet commerce.
- C. a vertical exchange.
- D. an Internet storefront.

Answer: C

NEW QUESTION 249

- (Topic 3)

A manufacturer's inventory levels are growing and service levels are dropping. Which of the following supply chain strategies is most appropriate to reduce inventory and improve service?

- A. Increase the safety stock on all items.
- B. Reduce the setup time.
- C. Optimize the total cost.
- D. Implement batch operations.

Answer: B

NEW QUESTION 254

- (Topic 3)

A manufacturer is the sole supplier of a product family. It sells to regional distributors that sell to retailers. The manufacturer uses batch production processes that have long setup times. All nodes in the supply chain have agreed to pursue a quick response to changes in the level of demand as a competitive priority. Which of the following factors is most likely to hinder their pursuit of this competitive priority?

- A. Information technology standards
- B. Information sharing practices
- C. Contractual terms and conditions
- D. Manufacturing lot sizes

Answer: D

NEW QUESTION 256

- (Topic 3)

Which of the following activities typically is included in a warehouse management system?

- A. Invoicing
- B. Freight-bill auditing
- C. Order processing
- D. Vehicle routing

Answer: C

NEW QUESTION 261

- (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 264

- (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 265

- (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 267

- (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 272

- (Topic 3)

Which of the following statements describes a continuous replenishment strategy in a retail environment?

- A. Retailers make replenishment decisions.
- B. Retailers prepare individual orders and share sales data with vendors to improve customer service.
- C. Vendors use sales data and prepare shipments to maintain the desired level of inventory.
- D. Vendors take full control of inventory policy.

Answer: C

NEW QUESTION 273

- (Topic 3)

The theory of constraints (TOC) works best in an environment where the:

- A. product mix for the operation changes daily.
- B. constraint cannot be easily managed.
- C. constraint cannot be easily identified.
- D. constraint persists long enough to be managed effectively.

Answer: D

NEW QUESTION 278

- (Topic 3)

Which of the following outcomes is the primary benefit to an organization that develops a supplier certification program?

- A. Supplier capability is documented.
- B. Inspection costs are reduced.
- C. Delivery time is improved.
- D. Negotiating power is strengthened for the certifying organization.

Answer: B

NEW QUESTION 280

- (Topic 3)

When multiple warehouses are combined into one centralized warehouse, the requirement for safety stock is reduced because:

- A. there is less in-transit inventory.
- B. the total variability of demand is reduced.
- C. average cycle stock is reduced.
- D. safety stock becomes available-to-promise.

Answer: B

NEW QUESTION 283

- (Topic 3)

One operation in a four-stage process has been producing more than required and is causing elevated levels of work in process. Which of the following approaches would be most appropriate to address the situation?

- A. Kano
- B. Kanban
- C. Kaizen
- D. Keiretsu

Answer: B

NEW QUESTION 285

- (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 290

- (Topic 3)

A company is beginning the process of defining market segments for its products and services. The most appropriate objective for this undertaking would be to identify groups of customers with similar:

- A. geographical locations.
- B. buying power.
- C. revenue potential.
- D. service requirements.

Answer: D

NEW QUESTION 291

- (Topic 3)

What are the three principle categories of forecasting methods?

- A. Seasonal, trend, and promotional events
- B. Moving average, exponential smoothing, and Holt-Winters
- C. Qualitative, extrinsic, and intrinsic
- D. Annual, monthly, and daily requirements

Answer: C

NEW QUESTION 294

- (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 296

- (Topic 3)

Which of the following activities is critical to successful synchronization of supply and demand throughout a supply chain?

- A. Sharing demand information
- B. Placing large orders to obtain lower prices
- C. Reducing the number of deliveries
- D. Maintaining increased inventories

Answer: A

NEW QUESTION 300

- (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 304

- (Topic 3)

Which of the following metrics is the most appropriate measure of supply chain responsiveness?

- A. Order fulfillment lead times
- B. Percentage of orders delivered on time
- C. Retail inventory days of supply
- D. Upside production flexibility

Answer: D

NEW QUESTION 307

- (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 308

- (Topic 3)

An office furniture manufacturer observed that customers preferred to configure desks based on their available office space. To keep product costs to a minimum, yet satisfy customer needs, the company should choose which of the following design strategies?

- A. Modularity
- B. Component commonality
- C. Mass customization
- D. Standardization

Answer: A

NEW QUESTION 311

- (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 314

- (Topic 3)

A company exports products to emerging markets. Which of the following approaches would be used to enhance compliance, minimize risks, and connect supply chain activities?

- A. Logistics network planning
- B. Distribution requirements planning
- C. Supply chain event management
- D. Global trade management

Answer: D

NEW QUESTION 316

- (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 321

- (Topic 3)

Designing a supply chain to maximize responsiveness and flexibility is most appropriate for which of the following types of organizations?

- A. Public utility provider
- B. Configurable products manufacturer
- C. Commodity goods supplier
- D. Luxury goods manufacturer

Answer: B

NEW QUESTION 322

- (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 323

- (Topic 3)

Which two of the following tools should be used with an enterprise resources planning system to build realistic supply chain models and to plan the most profitable flow of goods across the chain?

- A. An advanced planning and scheduling system and simulators
- B. An inventory planning and management system and simulators
- C. A vendor managed inventory system and customer relationship management
- D. Customer activity planning and logistics management

Answer: A

NEW QUESTION 328

- (Topic 3)

An advanced planning system differs primarily from enterprise resources planning by:

- A. optimizing operations scheduling.
- B. translating plans into action.
- C. concentrating on production.
- D. linking to the transportation management system.

Answer: A

NEW QUESTION 333

- (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 337

- (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 340

- (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 342

- (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 343

- (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 347

- (Topic 3)

The use of kanban for item replenishment by external suppliers requires:

- A. accurate long-term forecasts.
- B. returnable plastic containers.
- C. close communication about component usage.
- D. a process for the reverse supply chain.

Answer: C

NEW QUESTION 350

- (Topic 3)

A company most likely would implement a supplier certification program to:

- A. improve the supplier's procurement process.

- B. abide by ISO standards.
- C. validate the supplier's compliance with requirements.
- D. implement point-of-sale (POS) terminals.

Answer: :C

NEW QUESTION 352

- (Topic 3)

Turning the request-for-quotes process into a real-time auction setting most likely will:

- A. improve product quality.
- B. increase process costs.
- C. reduce cycle time.
- D. reduce bid cost.

Answer: C

NEW QUESTION 356

- (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 359

- (Topic 3)

A company regularly issues sustainability reports in accordance with the Global Reporting Initiative (GRI) framework and uses the reports to track continuous improvement. Which of the following topics could be found in the sustainability reports?

- A. Labor practices
- B. Product specifications
- C. Raw material costs
- D. Currency exchange rates

Answer: A

NEW QUESTION 364

- (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 365

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