

THE
CHARTERED INSTITUTE OF
PURCHASING & SUPPLY®



**CIPS Level 2 Introductory Certificate
in Purchasing and Supply**

CIPS e-testing handbook for candidates

July 2008

Dear Candidate

Congratulations on registering for the CIPS Level 2 Introductory Certificate in Purchasing and Supply.

This qualification will provide you with a good foundation of knowledge relating to the key principles of purchasing and supply, through the four elements of learning, included within the learning programme.

At the end of your learning programme, you will undertake an e-test, which will be one hour long, and will be at the location identified by your CIPS approved delivery centre.

CIPS have provided this guide for you to better understand the e-test process and to help you see what to expect at the time of your examination.

If you have any queries or questions relating to this handbook, then talk to your centre programme leader and they will be able to help you.

May CIPS take this opportunity to wish you every success as you embark upon this programme and undertake your e-test assessment.

Yours faithfully,

A handwritten signature in black ink that reads "A. O'Brien". The signature is written in a cursive style with a long horizontal stroke at the end.

Amanda O'Brien
Head of Education

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1.0 An introduction to CIPS

With approximately 45,000 members, CIPS is the profession's leading body and the largest in the world. As a UK recognised Education Awarding Body, which is regulated by the Qualifications and Curriculum Authority, and with its qualifications contained within the UK national qualifications framework, education is at the core of the Institute's activities.

This guidance booklet is intended to provide guidance to CIPS Level 2 approved centres and invigilators; it should be read in conjunction with the CIPS Level 2 e-testing guidance document, and the formal contractual and service level agreement with the centre and CIPS.

2.0 About the CIPS Level 2 Introductory Certificate in Purchasing and Supply

The Introductory Certificate consists of four elements, each of which has clear learning objectives:

Element 1 - The role and scope of purchasing

Element 2 - Systems and procedures in purchasing

Element 3 - Working with suppliers

Element 4 - The importance of purchasing contracts

The unit content includes a wide range of topics to reflect the range and scope of the purchasing function. However, because of the brevity of the Introductory Certificate, coverage will be limited to an introduction to, and explanation of, the concepts, rather than detailed analysis and application. Candidates are expected to learn the terminology used in purchasing. The use of theoretical concepts will be minimal and practical aspects of the purchasing role will be stressed.

Learning outcomes

On completion of this qualification, candidates will be able to:

- ◆ Use confidently the language and terminology used by professional purchasers
- ◆ Demonstrate knowledge and understanding of the purchasing process
- ◆ Explain the contribution of purchasing to achieving organisational objectives
- ◆ Interpret a range of information found in typical purchasing situations
- ◆ Accept greater responsibility for sourcing decisions within time-scales and organisational frameworks
- ◆ Make credible assessments of the tactical options available within a defined purchasing process

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The teaching time for face-to-face delivery is up to 20 hours, with a further 10 hours of self-study and revision to be undertaken by you directly. The 10 hours self-study will include reading the CIPS course book, and also any articles or hand-outs provided to you by your centre. The CIPS course book, if not provided by your centre, can be purchased directly from the CIPS bookshop www.cips.org.

ELEMENT 1 - The role and scope of purchasing (weighting 25%)

4.0 To demonstrate an understanding of the different contexts in which purchasing activities take place.

- ◆ The organisation as part of a chain of supply to satisfy an end customer
- ◆ The changing world of business/external influences on the organisation:
 - competition/globalisation
 - customer expectations
 - technology
 - environmental awareness
 - legislation
- ◆ What is 'purchasing'?
 - how purchasing relates to other parts of the organisation
- ◆ Purchasing in different sectors:
 - public/private/product/services.

5.0 To describe the elements of the generic purchasing cycle and recognise its importance.

- ◆ The generic purchasing cycle:
 - identification of need
 - specification
 - identification of source(s)
 - source selection
 - agreeing the contract/raising the purchase orders
 - managing the supply contract
 - receiving the supply
 - payment
 - reviewing the cycle.

6.0 To identify how effective purchasing contributes to the profitability and competitiveness of the organisation.

- ◆ Objectives for purchasing:
 - contributing to profitability and service
 - the 'five rights'

7.0 To recognise that varying approaches may need to be taken towards different classes of purchase.

- ◆ Identifying stakeholders:
 - the internal customer
 - suppliers as a stakeholder
- ◆ Different types of purchase:
 - direct/indirect purchases/MRO/services/capital
 - equipment

ELEMENT 2 – Systems and procedures in purchasing (weighting 25%)

1.0 To identify the basic documents and records used in the purchasing process.

- ◆ Documents used in the purchasing cycle – their purpose and use:
 - requisition, 'enquiry', purchase order,
 - acknowledgement, delivery note, goods received
 - note, invoice
 - consequences of not following basic processes
- ◆ Role of IT systems in purchasing records:
 - record keeping (purchase ledger/supplier database/stock records)

2.0 To demonstrate an understanding of the issues in holding stock.

- ◆ Buying stock:
 - what is stock?
 - the purposes and cost of holding stock
 - basic stock control systems (re-order level versus
 - periodic review)

3.0 To explain how purchase needs are established and communicated.

- ◆ Specifications:
 - their purpose
 - usual types of specification (brand/functional/technical/standards)
 - characteristics of a 'good' specification

4.0 To explain how quotations from suppliers are obtained and analysed in order to ensure that requirements are met.

- ◆ Obtaining quotations from suppliers:
 - informal enquiries versus formal tenders
- ◆ What to analyse in quotations:
 - technical offer/delivery/price and pricing
 - approaches/exclusions (for example transport) /
 - payment/terms and conditions/service/validity
 - the need for a simple comparative analysis chart
- ◆ Role of IT systems in purchasing:
 - e-procurement - what is it?

5.0 To identify potential problems during the purchasing cycle.

- ◆ Dealing with supply problems:
 - internal problems (unclear specs/failing to order in time)
 - external problems (rejects/late delivery)
 - expediting supplies

ELEMENT 3 – Working with suppliers (weighting 25%)

1.0 To demonstrate an understanding of the different reasons for working and dealing with suppliers.

- ◆ The criteria by which to assess the supplier:
 - financial stability/quality/technical capability/capacity etc
 - the process of assessing a supplier.

2.0 To explain the different approaches that can be adopted in sourcing supplies.

- ◆ Finding suppliers:
 - types of supply channel (manufacturers/distributors/wholesalers/ agents/brokers)

- information sources
(exhibitions/internet/catalogues/trade journals)
- ◆ Communicating with suppliers:
 - the need for clear communications
 - methods of communication.

3.0 To understand the importance of negotiating with suppliers and to explain the different approaches to negotiating.

- ◆ Negotiating with suppliers:
 - defining 'negotiation'
 - negotiation objectives
 - an introduction to the negotiation process.

4.0 To assist with ongoing supplier relationships.

- ◆ Developing the relationship:
 - when is a longer term relationship appropriate?
 - characteristics and responsibilities of relationships
 - dealing with problem suppliers (Supplier Perception Matrix)
- ◆ The international dimension:
 - reasons for overseas sourcing
 - issues in overseas sourcing (culture and practices)
- ◆ Ethics in purchasing:
 - CIPS Ethical Code

ELEMENT 4 – The importance of purchasing contracts (weighting 25%)

1.0 To explain the legal framework within which purchasing operates in the UK.

- ◆ Differences between criminal and civil law:
 - restitution not punishment
 - precedent and statute

2.0 To understand the meaning of the term 'contract' and to explain why a contract is important.

- ◆ Defining the term 'contract' and establish the reasons why contracts are important:
 - definitions
 - forms of contract (standard terms/specific contracts/model contracts).

3.0 To determine how the contract is formed and explain the key elements of a valid contract.

- ◆ Contract formation:
 - essentials of a valid contract (intention/agreement/consideration)
 - offer versus invitation to treat.

4.0 To describe the different terms and conditions associated with purchase contracts.

- ◆ Impact of legislation:
 - Sale of Goods Act 1979 (as amended)
 - standard terms and conditions of contract
 - express versus implied terms
 - consider the role of some typical standard terms.

5.0 To explain the consequences of a breach of contract.

- ◆ Remedies for breach of contract:
 - typical breaches of contract and consequences of the breach
 - conditions and warranties (cancellation and damages)
 - other forms of dispute resolution (arbitration and adjudication)

3.0 The CIPS Level 2 e-test

The examination for the Level 2 Introductory Certificate in Purchasing and Supply is assessed by a one hour e-test that takes place at the end of your programme of learning. The e-test consists of 40 multiple-choice questions and includes questions from each element of the syllabus. It is, therefore, very important that you ensure you have undertaken all of the learning and revised appropriately for the award.

The pass mark for this e-test is 75% and you will be awarded either a pass or fail grade. In order to gain a pass, you must correctly answer a minimum of 30 questions out of the 40 available.

Your result will be sent by post within two to four weeks from the date of the e-test.

You will also be sent a CIPS Level 2 Introductory Certificate in Purchasing and Supply Certificate one month after your results have been issued.

4.0 Terms and Conditions for entry

Registering for the CIPS Level 2 Certificate in Purchasing and Supply

It is the responsibility of your study centre to ensure that you are registered for the CIPS Level 2 Introductory Certificate. You must be registered as a CIPS member in order to take the CIPS e-test. This is outlined to you in your welcome pack from CIPS.

Your study centre will provide you with registration forms and they will send your completed forms to CIPS for processing.

Enrolling for the CIPS level 2 e-test

Your completed enrolment form for the CIPS e-test will be completed by your study centre. They will ensure that it arrived at CIPS at least four weeks prior to the e-test event date.

Your enrolment will be subject to availability and acceptance by CIPS. CIPS cannot guarantee enrolment unless your application for CIPS membership has been received and processed prior to the submission of the enrolment.

Payment for CIPS registration and enrolment for an e-test event will be collected from you by your study centre. The current price for CIPS registration and one e-test attempt is available on the CIPS website.

Confirmation of e-test arrangements

CIPS will confirm the arrangements of your e-test to you, via email. Confirmation will also be sent to your study centre.

The email confirmation you receive will include the following information:

- Name
- CIPS registration number
- Date of the e-test
- Time of the e-test
- E-test venue, name and address
- Required identification data (ID)

5.0 Arrangements for taking the CIPS e-test

Please ensure that you read the following information carefully before attending the e-test:

- ◆ You should report to the centre e-test venue at least 40 minutes before the e-test is due to start. Late arrivals are only admitted at the discretion of the invigilator. You will not be able to enter the examination room if the e-test has commenced.
- ◆ If you need directions to your examination venue, please contact the centre beforehand.
- ◆ You are requested to bring with you:
 - Your e-test confirmation letter and, if available, your CIPS membership card and/or you should bring some form of photographic identification such as a driving licence or passport.
- ◆ You may not take:
 - Mobile phones, electronic devices, reading materials, pre-prepared notes
 - Dictionaries
 - Bags must be placed at the front of the room during the e-test
 - Any other items or restrictions which are the rules and regulations of your study centre, which may include not taking any food or drink items into the exam room.
- ◆ Should you arrive late to the test, you will not be allowed to enter the room if the e-test has started. You will then have to re-enter for a new e-test at your own cost. The only exceptions will be extenuating circumstances agreed with your study centre and CIPS and evidenced as necessary.

6.0 Malpractice during the CIPS e-test

Malpractice or any attempt to cheat during the CIPS e-test is a serious offence and will result in the candidate being barred from CIPS assessments for up to three years. A copy of the CIPS malpractice policy can be found on the CIPS website www.cips.org.

7.0 Special considerations

Despite every effort being made, sometimes incidents occur during an examination that you may feel have impacted upon your ability to perform well during the examination. This could, for example, be caused by disturbances during your examination or be due to temporary sickness. If you feel that such an incident has occurred you should firstly refer to the Special Consideration Section of the CIPS Reasonable Adjustments Policy which is also available on the CIPS website www.cips.org. Further details can be found in 8.0 of this handbook.

Requests for special consideration must be made in writing to the CIPS examinations team **within seven days** of the e-test. Your request must provide a detailed explanation of the nature of your request and this will be considered by the assessment board prior to the release of results.

8.0 Reasonable Adjustments

CIPS has a responsibility to ensure that all candidates have equal opportunities to reach their full potential. In some instances, candidates may require adjustments to the assessment process to give them an equal opportunity, and CIPS has a responsibility to ensure that appropriate adjustments are made for each candidate.

In the first instance, if you require reasonable adjustments you should contact your tuition centre and speak to your tutor who will assist you.

Further information about reasonable adjustments can be obtained as indicated above in the CIPS website www.cips.org

9.0 Leaving the room during the e-test

If you find for any reason during the examination that you need to leave the e-testing room you should speak directly to the invigilator, who will ensure that you are escorted at all times.

If you leave the examination room un-escorted, you will be unable to return to the e-testing room and your e-test will be invalid.

10.0 Inability to sit the e-test

If illness prevents you from attending the e-test you may defer your enrolment at no extra charge. Please send a written explanation to the CIPS Assessment Services Team, supported by a medical certificate within seven days of the e-test date. The e-test fee will be credited to your account for future use and you will be required to re-enter for the e-test at a time convenient to you and your e-test centre.

11.0 Data protection

CIPS is registered under the provisions of the Data Protection Act 1998 and keeps any personal data concerning candidates in confidence, subject to the following conditions.

By entering the Level 2 e-test you authorise CIPS to disclose your contact details and (where appropriate) CIPS' membership status and e-test results to CIPS assessors, educational establishments, e-test centres, and your employer(s).

CIPS cannot enrol you or provide enrolment details by telephone. You will find a full description of the CIPS Code of Practice for Data Protection on the CIPS website (www.cips.org).

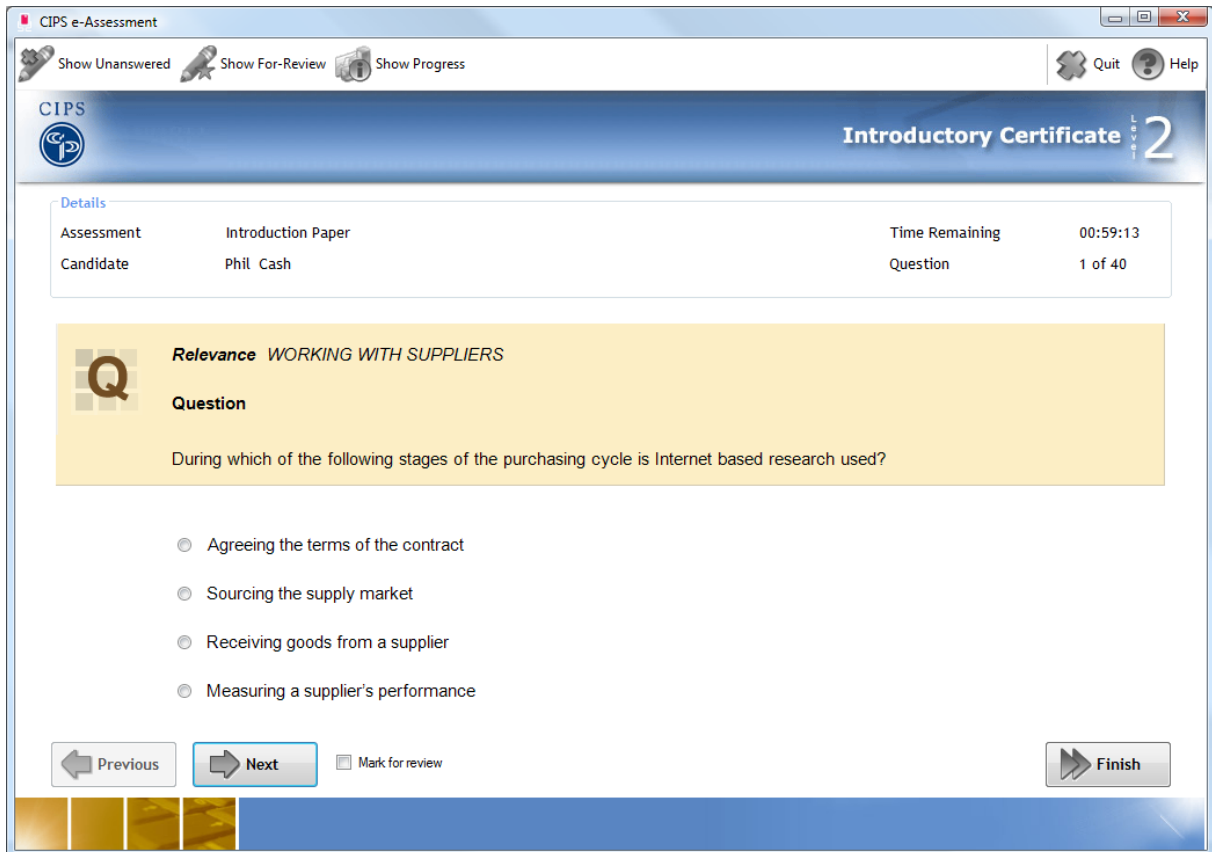
12.0 Appeals process

Should you disagree with your e-test result at the time your results are released, you can appeal against your mark through the normal CIPS appeals process, which can be found on the CIPS website.

13.0 What type of questions?

Later on in this handbook, CIPS will provide you with an overview of how to use the CIPS e-testing system so that you know what to do when you arrive at your assessment.

However, when you do sit down to your e-test, this is the type of question that you will answer, and this is how it will display itself on the screen.



The e-test consists of:

- ◆ 40 multiple-choice questions, which always provide you with a question and a choice from four options for each question. Please note there are no open-ended questions in this paper, therefore you will constantly be selecting one option from four throughout the test.

- ◆ The 40 questions are taken from the four elements of the syllabus and will be allocated as follows:
 - Element 1 The role and scope of purchasing 9 questions
 - Element 2 Systems and procedures in purchasing 11 questions
 - Element 3 Working with suppliers 9 questions
 - Element 4 The importance of purchasing contracts 11 questions

- ◆ All areas of the syllabus will be tested
- ◆ The questions are selected from a questions bank
- ◆ You will have approximately 1½ minutes to answer each question.

14.0 Revision and resources

Earlier in this guide we mentioned that you will be tested on all four elements of the syllabus. The questions are selected from a question bank, and so there is no opportunity for question spotting and therefore you need to ensure, that you address all of the materials.

Remember you only have only 1½ minutes to answer each question so you need to think quickly and you will only be able to do this effectively if you prepare for your e-test effectively.

There are a number of different approaches to revision and you should be guided by your centre. You should be aware of the key facts within the syllabus, and be confident in providing answers in relation to:

- ◆ Processes
- ◆ Models such as the purchasing cycle
- ◆ Theories/concepts
- ◆ Criteria applied
- ◆ Tactics and skills required for purchasers

◆ Legal acts/dates/context

In essence you should be able to answer questions on everything included in the unit content. Remember, however, this is a Level 2 qualification and questions will be straightforward and uncomplicated, as complexity is not something you will be assessed upon. The nature of this examination is purely a test of your knowledge and understanding of the facts that you have learned.

When revising, start with the areas you find most difficult and most challenging and concentrate on those, as they are the ones likely to make you stall during the examination. Then move on to the areas you find easier to deal with.

You should try to spend at least two-to-three hours revising each element, going over your notes and any course materials you have access to ensuring that you have a good understanding of the subject area. Remember the four choices of answers may appear similar but they will have quite subtle differences and it is important that you select the right answer.

Some people use pictures, flow charts and mind-maps to revise, as the content then sticks in their mind. This is something you may find useful to adopt as a tactic to help you. Others make lists of key points and revise from those, to help them remember the key points for the examination.

The good thing about this e-test, particularly if it is a long time since you have taken a test or examination, is that you do not have to write essays or elongated questions, so you can take this into account during your preparation.

Your centre has access to some example questions from CIPS and they will provide you with access to them during your learning. If they don't, speak to your tutor as your centre can access the questions via the CIPS tutor website.

Good luck with your e-test, remember success comes from commitment, hard work and in your case good exam preparation.

Resources

CIPS has published a Level 2 course book for your use during your studies. This may be provided as part of your course, or as suggested earlier can be purchased directly from CIPS. This resource covers the key parts of the unit content you need to know to pass the exam, added to the teaching that you have already received will certainly go a long way to ensuring success, providing you use the breadth of materials provided.

The course book is quite short and representative of the CIPS Level 2 Introductory Certificate in Purchasing and Supply and should provide you with a useful guide for your revision too. Working through this book and undertaking the associated activities will help develop your understanding and thus your interpretation of the e-test questions.

15.0 The candidate e-testing system

The candidate system is used for a CIPS candidate to undertake a secure e-test in an approved assessment centre.

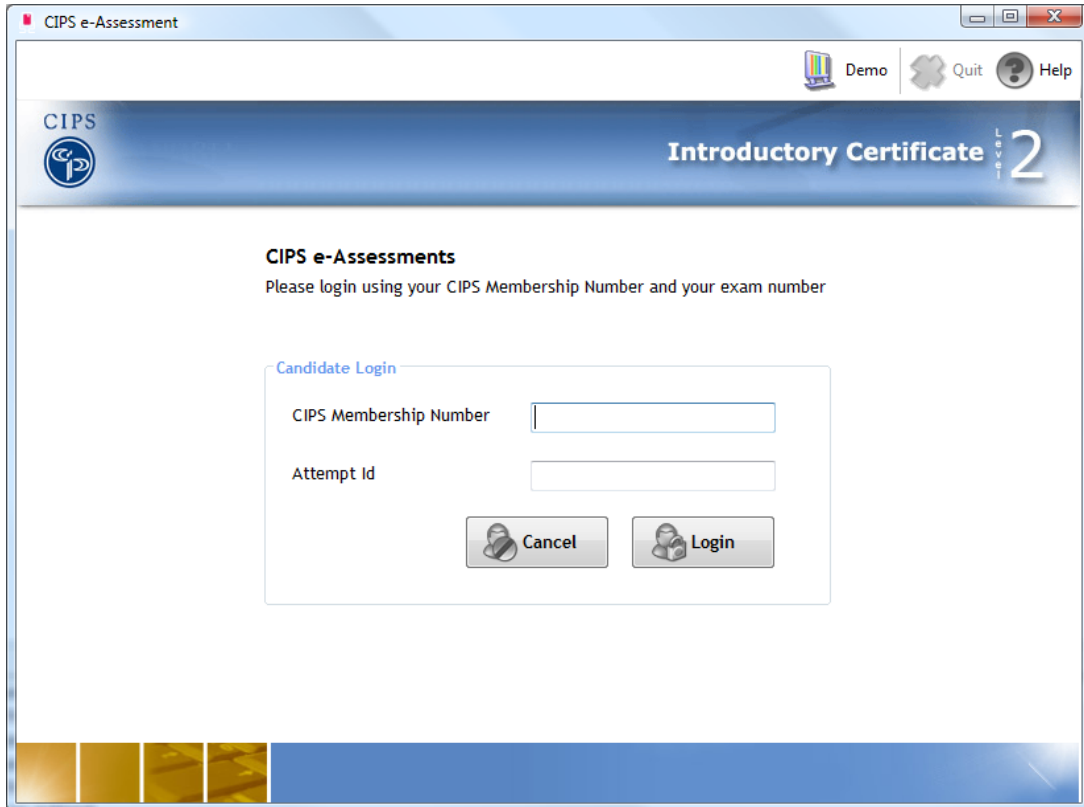
You will receive an email notification confirming the time and date and address of your e-test. If you have not received this notification 10 days prior to the e-test you should immediately check with your centre.

Remember you should arrive at the centre at least 40 minutes before the scheduled start time.

On arrival at the centre, you will be asked to present proof of your identification (CIPS membership card, driving licence or passport). You will then be asked to take your seat and await further instructions from the invigilator.

Candidate authentication: log-in

You will need to authenticate yourself on the system before you can start your assessment. This requires your 'CIPS membership number' and 'Attempt ID'. Your Attempt ID is system-generated and will be provided to you at your workstation by the invigilator.



The screenshot shows a window titled "CIPS e-Assessment" with a standard Windows-style title bar. The window contains a header with the CIPS logo on the left and the text "Introductory Certificate 2" on the right. Below the header, the text "CIPS e-Assessments" is displayed, followed by the instruction "Please login using your CIPS Membership Number and your exam number". A "Candidate Login" section contains two input fields: "CIPS Membership Number" and "Attempt Id". Below these fields are two buttons: "Cancel" and "Login". The window also features a "Demo" button, a "Quit" button, and a "Help" button in the top right corner. The bottom of the window has a decorative blue and yellow gradient bar.

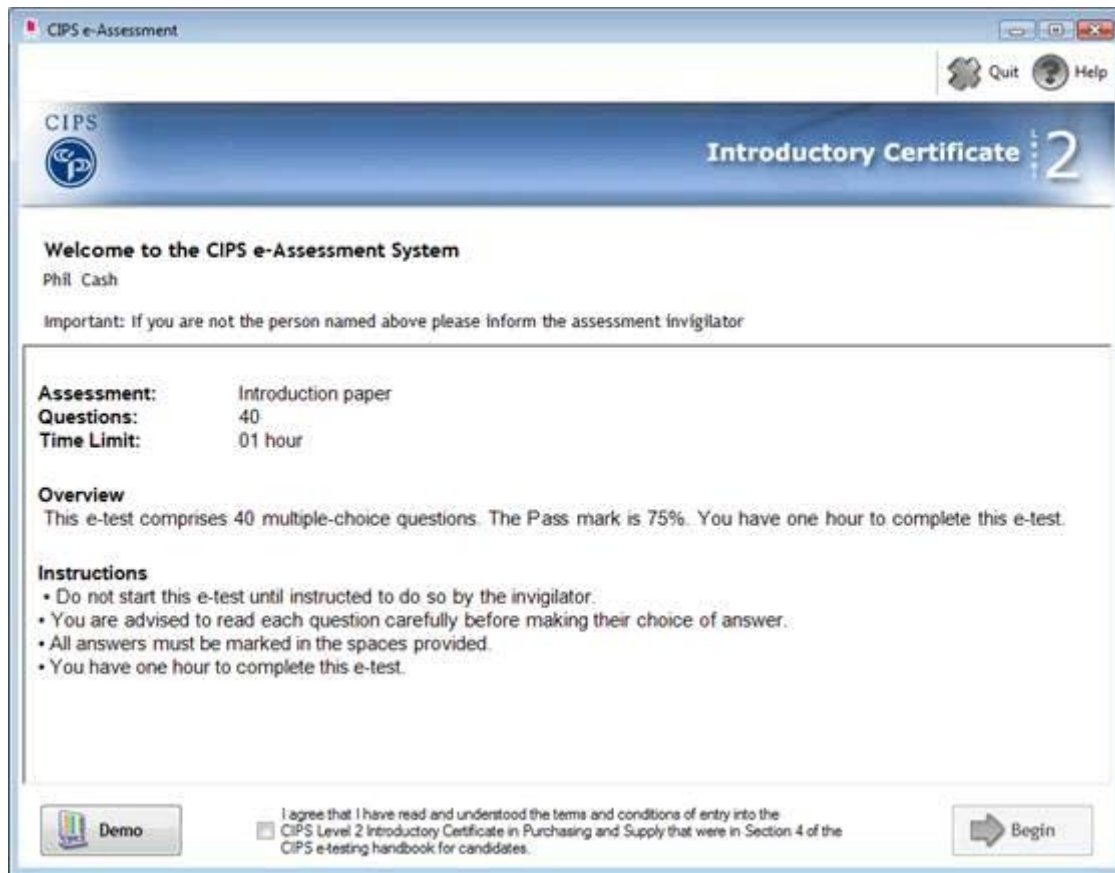
Welcome Screen

On successful log in, the Welcome Screen will load. This screen confirms the assessment you are about to take, with instructions. You will also be able to access a system 'demo' that you are strongly recommended to complete before you 'start' the session.

You must also read the **Terms and Conditions** and check the box to confirm that you have done so, before you can begin your assessment.

The CIPS Terms and Conditions can be found in Section 4 of this handbook.

Until the invigilator informs you that you can start the e-test, your 'Begin' button will stay deactivated.

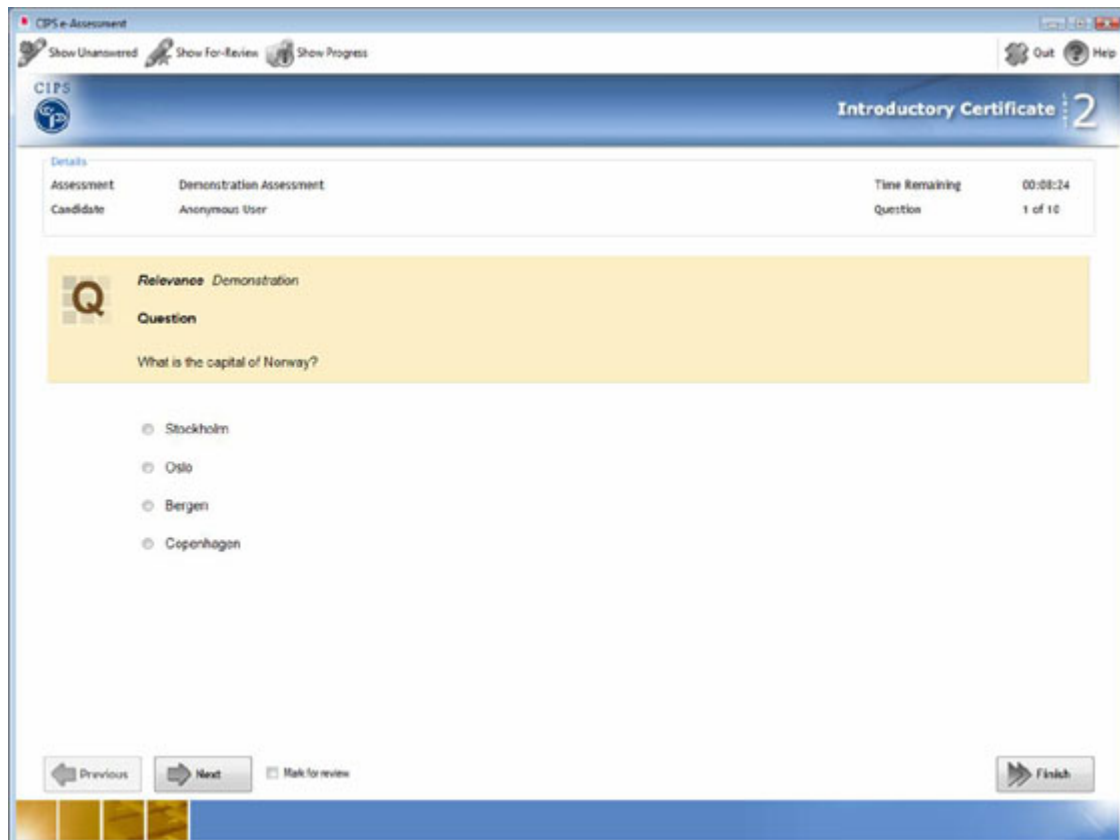


The information on this screen, as well as all screen prompts and the assessment itself will appear in the language selected at the time of your exam entry.

E-test questions

Once the invigilator has started your e-test session from their control system, your 'Begin' button will be activated and the time will start counting down once you have pressed the 'BEGIN' button.

Your questions will appear one at a time in the following format:



You will see that the title of your e-test is displayed to the top left of the screen and the time remaining/ question count to the right.

Navigating through the exam

The foot of the screen contains your simple navigation options/buttons which perform as follows:

- **'Mark for review'** – allows you to answer a question but add it to a list that you can review later in the exam, to check that you are happy with your answer.
- **'Next'** – loads the next question in your e-test
- **'Previous'** – loads the last question that you viewed
- **'Finish'** – allows you to proceed to ending your e-test before the time

counts to zero.

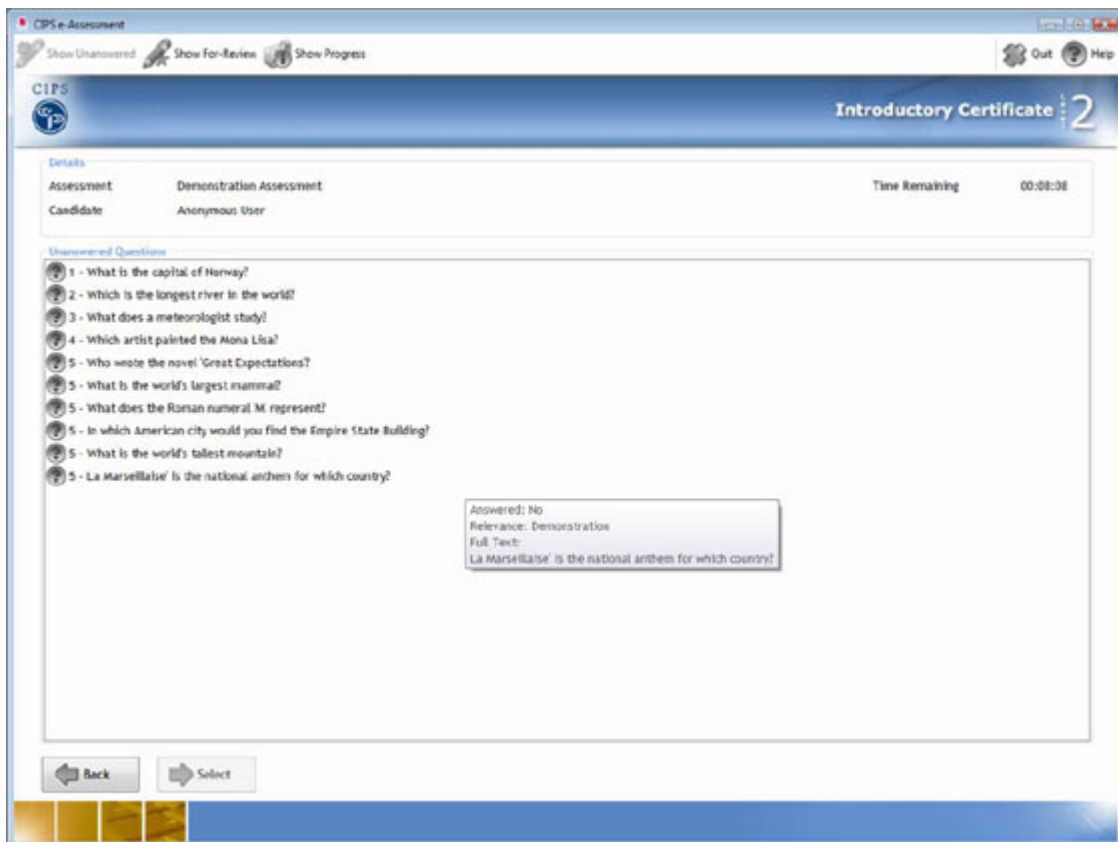
Note: if you click 'Finish' while you still have questions unanswered, you will see a warning screen with a list of your unanswered questions for completion. You can navigate to any of these questions by selecting the question and clicking the 'select' button. See 'Show Unanswered' below:

Progress checking

In addition to the main navigation at the foot of the screen, there are three further options at the top of the screen that you may wish to use:

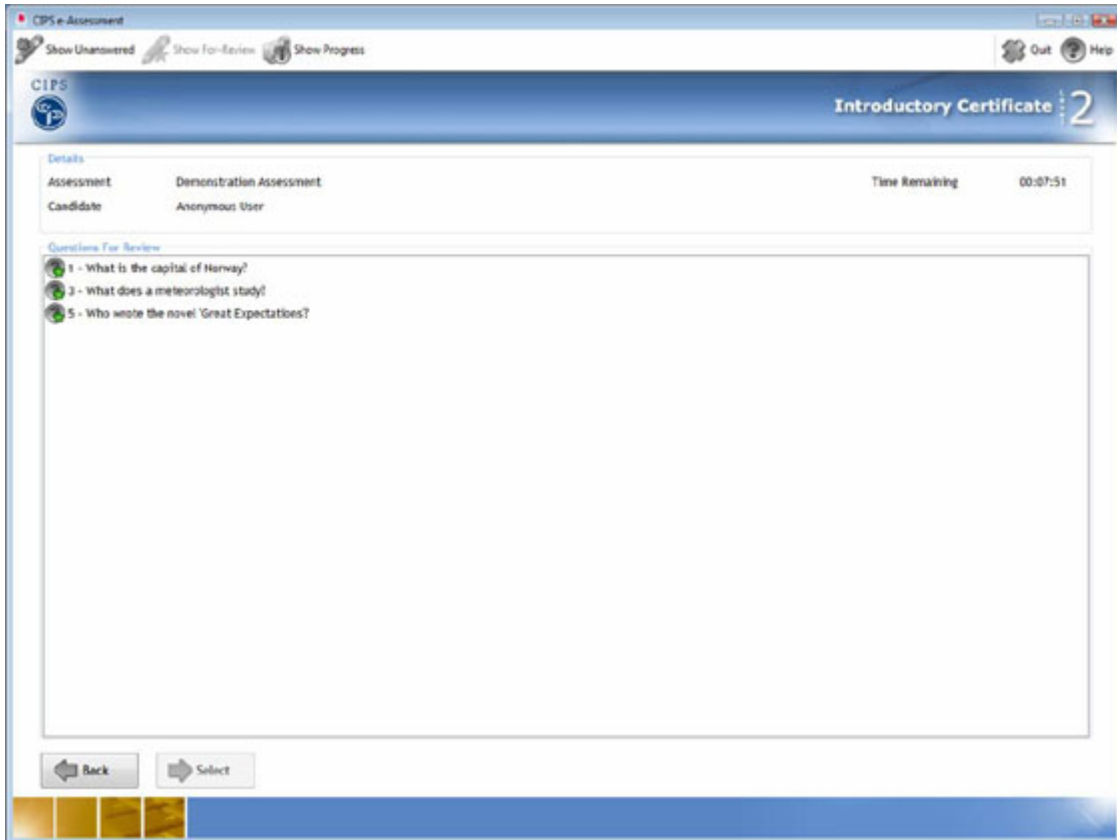
Show Unanswered'

This screen lists all questions that you have currently not answered.



‘Show for review’

‘Show for review’ loads the list of all questions that you marked for review.



'Show Progress'

'Show progress' – provides a summary of the number of questions that you have marked for review, the number of unanswered questions, the amount of time remaining per question and your completion status of the total exam (in percentage terms and as a visual display in a horizontal bar). It does not give any indication of success.

A list of all questions follows with icons to show whether the questions have been answered (green), unanswered (grey) and marked for review.

The screenshot shows the CIPS e-Assessment interface for an 'Introductory Certificate : 2'. The top navigation bar includes 'Show Unanswered', 'Show For Review', and 'Show Progress' buttons. The main content area is divided into three sections:

- Details:** Assessment: Demonstration Assessment, Candidate: Anonymous User, Time Remaining: 00:07:41.
- Exam Progress:** Marked For Review: 3, Unanswered: 10, Remaining / Question: 00:00:46, Percentage Complete: 0%.
- Question List:** A list of 10 questions, each with a grey icon indicating it is unanswered. The questions are:
 - 1 - What is the capital of Norway?
 - 2 - Which is the longest river in the world?
 - 3 - What does a meteorologist study?
 - 4 - Which artist painted the Mona Lisa?
 - 5 - Who wrote the novel 'Great Expectations'?
 - 5 - What is the world's largest mammal?
 - 5 - What does the Roman numeral 'M' represent?
 - 5 - In which American city would you find the Empire State Building?
 - 5 - What is the world's tallest mountain?
 - 5 - La Marseillaise is the national anthem for which country?

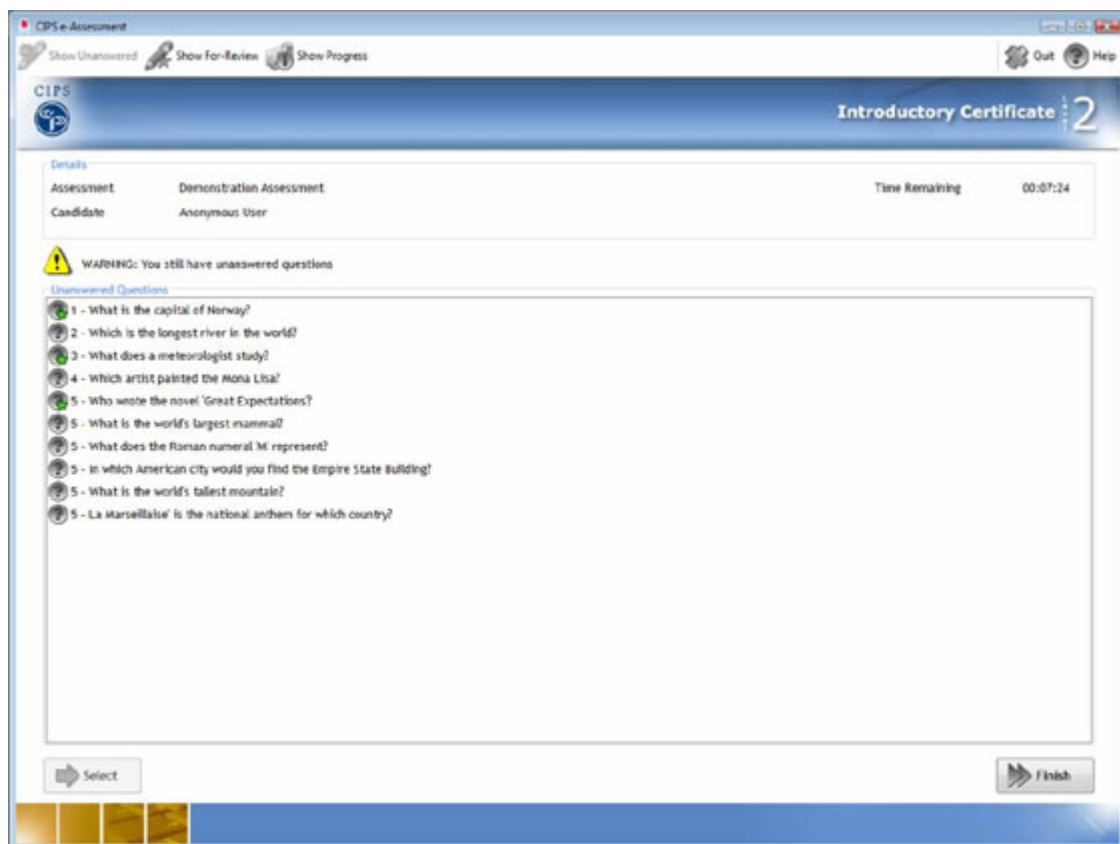
At the bottom of the question list, there are 'Back' and 'Select' buttons.

Finishing your exam

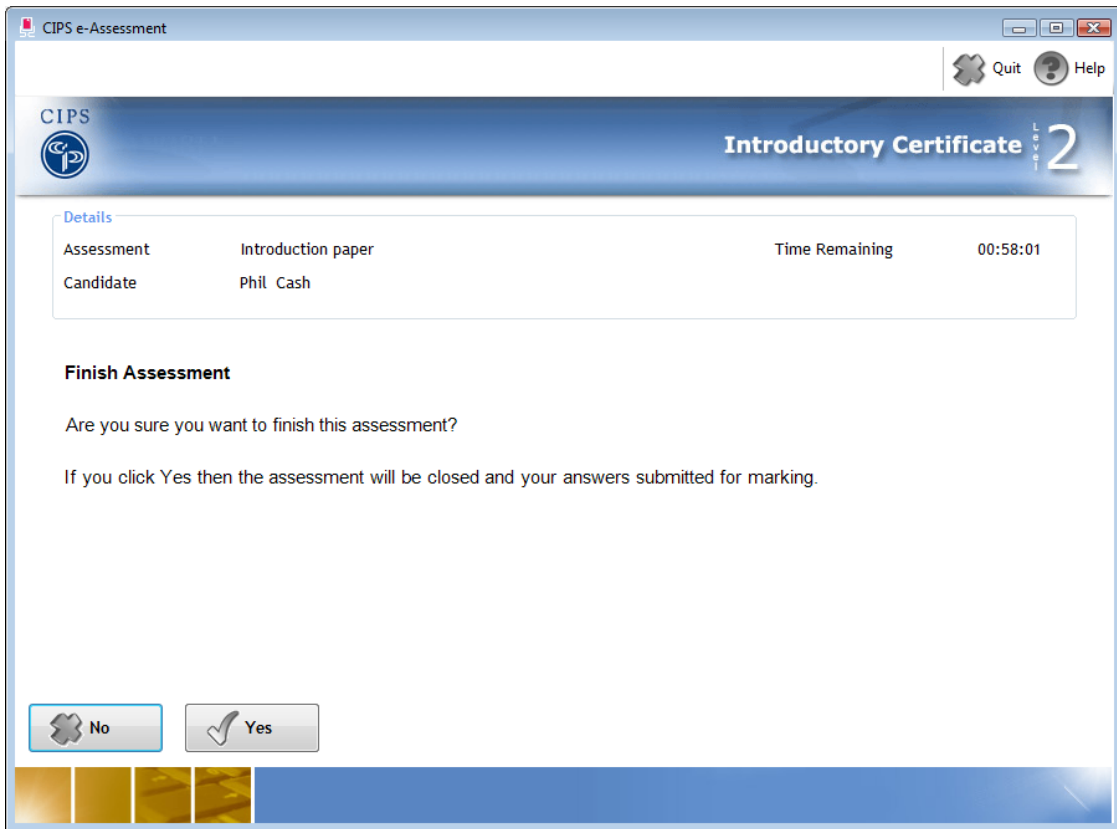
When the time allowed has less than a minute remaining, the time will display in **red**. When the time has run out a message will appear to inform you, before ending your session.

If you wish to end your exam session before 'time out' has occurred, you can do so by clicking 'Finish'. You will receive a warning if you still have unanswered questions and you are strongly advised to complete these before proceeding to 'Finish'. Since you cannot re-start your examination once you have completed the 'Finish' process, we will ask you to confirm twice before we allow the action to take place.

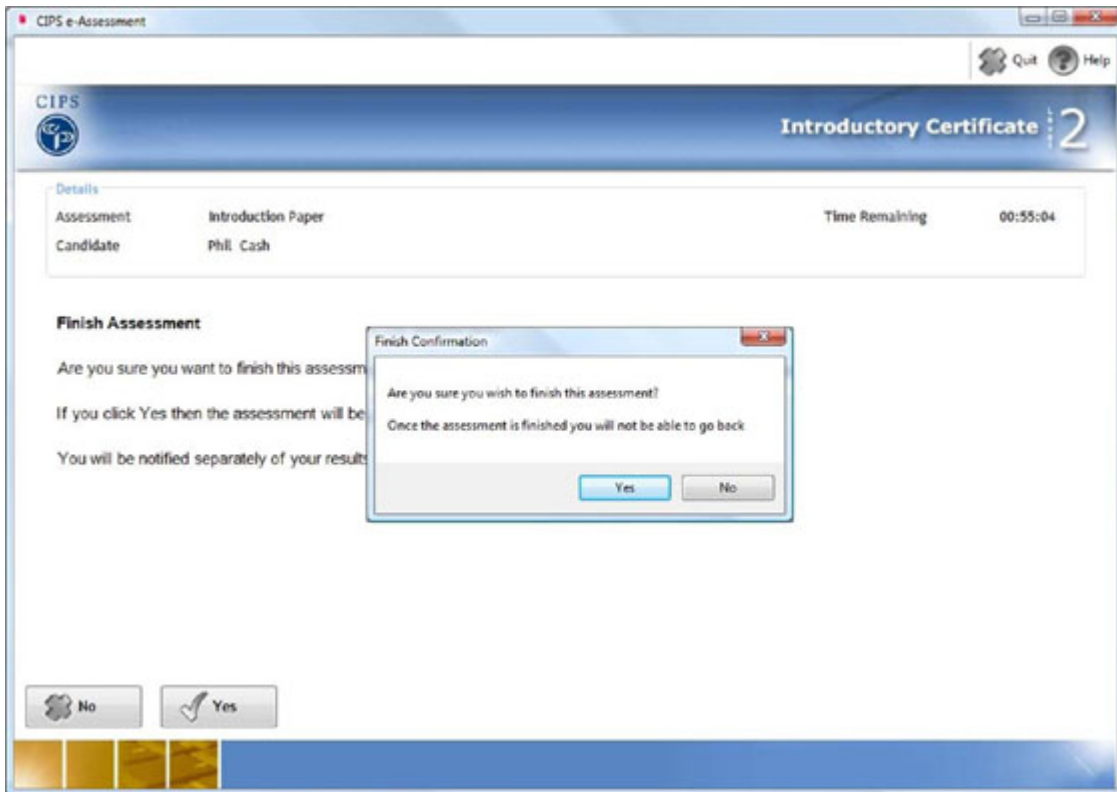
If, when you click 'Finish', you still have unanswered questions, the first confirmation screen looks like this:



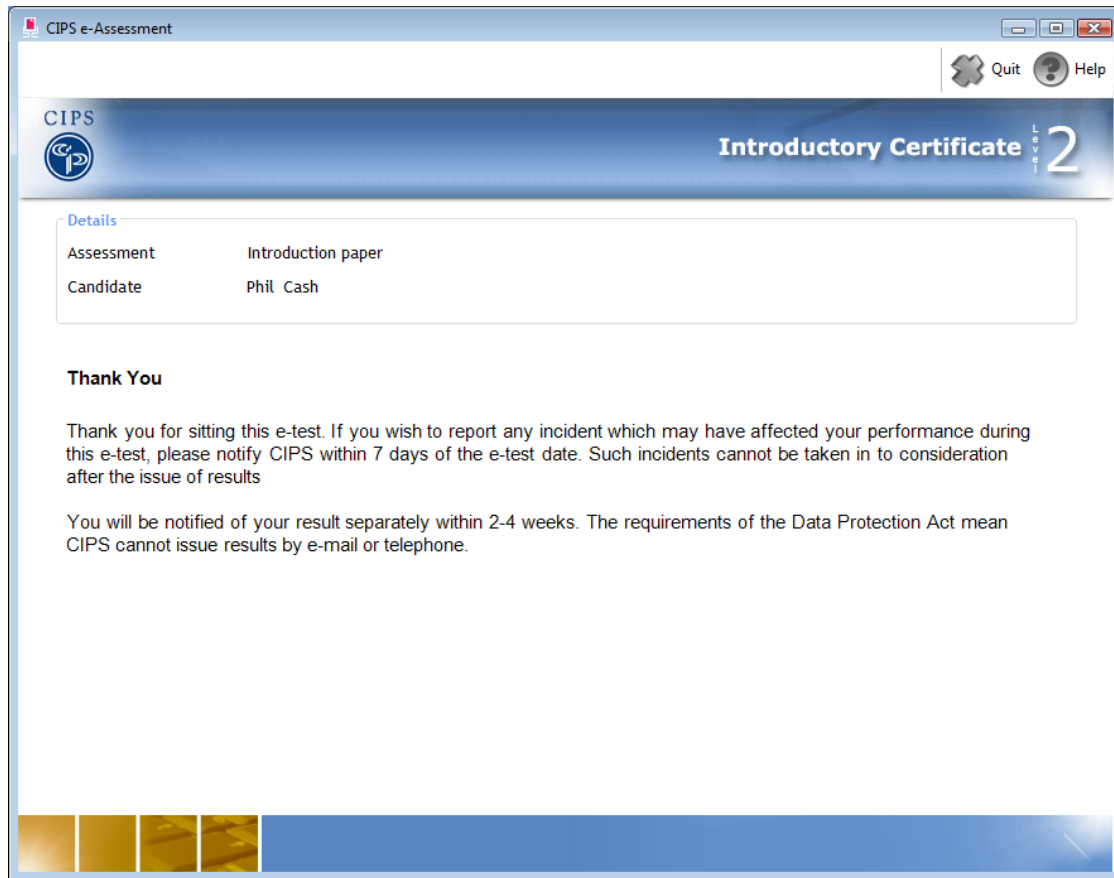
However, if you have attempted all questions, the first confirmation screen looks like this:



If you click 'Yes', a second confirmation will load as a pop-up:



The final screen that you will see is as follows:



End Candidate Session

At the end of your time your computer will stop the e-test automatically. At this stage you should indicate to the invigilator that you have finished your e-test.

Depending upon the remaining time, the invigilator may release you from the e-test room and allow you to leave. However, depending on the centre regulations, you may be asked to remain at your desk and keep quiet until the e-test is completed, so as not to disturb other candidates.

The invigilator will read a closing message at the end of the e-test before finally allowing you to leave the room.

As mentioned previously in this handbook, your result will be sent to you by post within two to four weeks of your e-test.

Good luck and CIPS hopes you enjoy your studies.