

**CIPS Level 2 – Certificate in Procurement and
Supply Operations**

Module 5 – Inventory, Logistics and Expediting

SAMPLE EXAM QUESTIONS

OBJECTIVE RESPONSE QUESTIONS AND ANSWERS

The correct answer will be identified as [key]

Q1. Which of the following explains the actions involved as part of an efficient expediting system?

- a. Checking requirements for export of goods from another country
- b. Maintaining contact with important suppliers to reduce the likelihood of problems with orders [key]
- c. Updating users on progress and ensuring speedy release of the purchase order
- d. Ensuring invoices are checked and supplier payment is not delayed

LO: 3

AC: 3.2

Q2. Why might an organisation hold safety stock?

- a. To minimise the risk of stock outs [key]
- b. To increase stock recording accuracy
- c. To reduce order and handling costs
- d. To utilise available storage capacity

LO: 1

AC: 1.1

Q3. Which of the following is an example of why an organisation might decide to hold inventory?

- a) To help production look busy
- b) To maintain service level agreements [key]
- c) To make best use of warehouses
- d) To maintain smooth production

LO: 1

AC: 1.2

Q4. An example of a system used to control inventory is ...

- a. TQM
- b. MRP [key]
- c. NLP
- d. OGM

LO: 1

AC: 1.3

Q5. Drag and drop the correct option into the blank space.

can be described as “the management of the flow of goods and services between the point of origin and the point of consumption in order to meet customer requirements”.

Logistics [key], Operations, Organisational success, Procurement

LO: 2

AC: 2.1

Q6. The rules that are used internationally to define the way in which goods can be purchased are known as ...

- a. land and sea terms
- b. open borders
- c. closed borders
- d. incoterms 2010 [key]

LO: 2

AC: 2.3

Q7. Which of the following documentation would you associate with the transportation of supplies?

- a. Specification
- b. Consignment note [key]
- c. Purchase order
- d. Supplier catalogue

LO: 2

AC: 2.5

Q8. One of the major problems of transporting goods by sea is ...

- a. salt ingress
- b. losing the ship in a storm
- c. time of delivery [key]
- d. excessive cost

LO: 2

AC: 2.2

Q9. Air freight is often not considered to be an option to transport goods because ...

- a. aircraft can crash
- b. it is very expensive [key]
- c. the pressure at height can damage goods
- d. loading is a problem

LO: 2

AC: 2.2

Q10. A stock out may lead to ...

- a. better use of warehouse space
- b. reputational damage for the organisation [key]
- c. identifying ways to be more efficient
- d. increased value for money

LO: 3

AC: 3.1

SAMPLE QUESTIONS