

# APICS

## Exam Questions CSCP

Certified Supply Chain Professional



#### NEW QUESTION 1

- (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 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)

A large manufacturer wanting to be more competitive in the global market place decided to outsource its transportation and return processing to other companies on a contractual basis. The companies providing the services would be referred to as:

- A. fourth party logistics providers.
- B. third party logistics providers.
- C. retail services providers.
- D. distribution services providers.

**Answer: B**

#### NEW QUESTION 4

- (Topic 1)

Continuous improvement is best described as:

- A. a never-ending effort to expose and eliminate root causes of problems.
- B. a never-ending effort by the management team to reduce cycle time.
- C. identifying and implementing big-step improvements within a process.
- D. a process in which a supplier commits to replenishing inventory based on demand without receiving replenishment orders.

**Answer: A**

#### NEW QUESTION 5

- (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 6

- (Topic 1)

Compared to a global strategy, a multicountry strategy would be characterized by:

- A. strategy coordination across countries.
- B. preferred suppliers located in host countries.
- C. major strategic decisions coordinated centrally.
- D. products adapted to local needs.

**Answer: D**

#### NEW QUESTION 7

- (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 8**

- (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 9**

- (Topic 1)

Which of the following marketing strategies emphasizes offering services at a lower price than rival services with comparable features?

- A. Cost leadership
- B. Service differentiation
- C. Customer focus
- D. Market responsiveness

Answer: A

**NEW QUESTION 10**

- (Topic 1)

A large wholesaler formerly owned a number of delivery trucks. The wholesaler sold all of its trucks and now purchases transportation services from fleet operators. This is an example of which of the following strategies?

- A. Selling and leasing back equipment.
- B. Renting equipment on consignment.
- C. Using a third-party logistics provider.
- D. Using an owner-operator fleet.

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 12**

- (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 13**

- (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 17**

- (Topic 1)

In addition to sales history, current customer orders, and forecasted demand, which of the following data sources should be used as part of a demand management process?

- A. Inventory levels
- B. Contractual obligations
- C. Customer profitability
- D. Scheduled marketing activities

**Answer: D**

**NEW QUESTION 22**

- (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 23**

- (Topic 1)

A company that produces standardized products and sells them through retailers via a responsive transportation system has decided to expand its sales with an online store for customized products. Which of the following distribution strategies would be the most appropriate for the business-strategy change?

- A. Local distribution centers serving retailers and online sales
- B. Centralized cross-docking facilities serving retailers and online sales
- C. A centralized distribution center serving retailers and direct shipment from the factory serving online sales
- D. A centralized distribution center serving retailers with transshipment arrangements serving online sales

**Answer: C**

**NEW QUESTION 28**

- (Topic 1)

Which of the following actions typically would be considered part of a reverse logistics strategy?

- A. Offering a discount on new purchases when used products are returned
- B. Reducing the amount of packaging material used in shipping
- C. Manufacturing products in batches consistent with full-truckload shipments
- D. Batching returns of defective components to the suppliers

**Answer: A**

**NEW QUESTION 32**

- (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 35**

- (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 37**

- (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 42**

- (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 43**

- (Topic 1)

Which of the following is the most important result when a company implements customer relationship management?

- A. Profits are maximized.
- B. Retention of key customers is increased.
- C. Product options are increased.
- D. Transaction costs are decreased.

**Answer: B**

**NEW QUESTION 44**

- (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 49**

- (Topic 1)

Medium-term demand management projections are used primarily to:

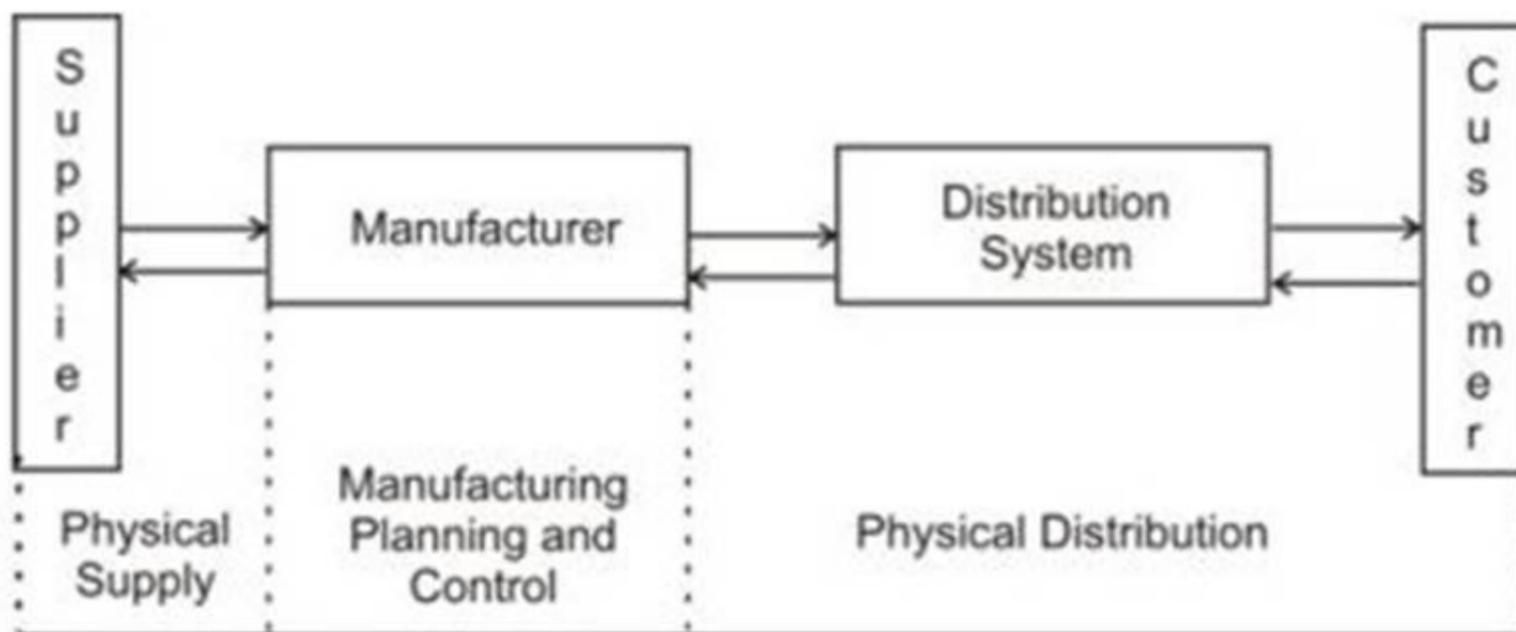
- A. complete strategic business planning of facilities.
- B. complete forecasts at the item level.
- C. aggregate demand for production planning.
- D. develop the master production schedule.

**Answer: C**

**NEW QUESTION 51**

- (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 55**

- (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 60**

- (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 63**

- (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 65**

- (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 68**

- (Topic 1)

A firm supplies a single line of products to consumers using retail stores and on-line sales, distributors, and wholesalers. Currently the firm has common pricing and response times for sales in each sales channel. Which of the following tools is most appropriate to employ to improve profitability?

- A. Customer segmentation
- B. Customer-facing ordering systems
- C. Customer relationship management (CRM)
- D. Supply Chain Operations Reference (SCOR®)

**Answer: A**

**NEW QUESTION 69**

- (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 72**

- (Topic 2)

When a company undertakes a win-back strategy without considering the profitability of customer accounts, it is neglecting which of the following key elements?

- A. Loyalty
- B. Scoring
- C. Segmentation
- D. Prospecting

**Answer:**

C

**NEW QUESTION 75**

- (Topic 2)

The transportation manager at a consumer goods manufacturer has decided to begin shipping full truckload rather than less-than-truckload quantities. Which of the following outcomes is likely following implementation of this decision?

- A. Inventory levels at the manufacturer will decrease.
- B. Lead times as seen by the customer will increase.
- C. Production efficiencies at the manufacturer will increase.
- D. Transportation costs as seen by the customer will increase.

**Answer: B**

**NEW QUESTION 78**

- (Topic 2)

What is the primary benefit of using modular rather than integral designs?

- A. Lower cost of manufacturing
- B. Increased product performance
- C. Greater responsiveness in marketing and production
- D. Reduced complexity of bills of material

**Answer: C**

**NEW QUESTION 81**

- (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 84**

- (Topic 2)

The social dimension of sustainability typically would be addressed when developing and implementing policies regarding:

- A. accounting practices.
- B. biodiversity protection.
- C. conflicts of interest.
- D. waste reduction.

**Answer: C**

**NEW QUESTION 85**

- (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 89**

- (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 92**

- (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 94**

- (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 95**

- (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 98**

- (Topic 2)

A corporation must consider which of the following factors when selecting its enterprise resources planning system?

- A. Uniqueness of operations
- B. Corporate profitability
- C. MRP and MRP II processing
- D. Industry benchmarks

**Answer:** A

**NEW QUESTION 102**

- (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 106**

- (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 111**

- (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 112**

- (Topic 2)

A company's supply chain depends heavily on sourcing from international suppliers. Conditions increasingly threaten supply continuity. Which of the following actions is most appropriate?

- A. Source from domestic suppliers.
- B. Conduct a risk assessment.
- C. Carry additional safety stock.
- D. Spread logistics across multiple carriers.

**Answer: B**

#### **NEW QUESTION 117**

- (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 118**

- (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 120**

- (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 123**

- (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 128**

- (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 133**

- (Topic 2)

A company that has consistently achieved a high level of on-time delivery performance has decided to reduce its inventory level significantly. Which of the following outcomes is the most likely effect of that decision on the company's on time delivery performance?

- A. There will be no effect.
- B. It will decline and then stabilize at a lower level.
- C. It will improve and then stabilize at a higher level.
- D. It will decline until sales erode.

Answer: B

**NEW QUESTION 138**

- (Topic 2)

A company that sells engineered-to-order products is planning implementation of a supplier relationship management system (SRM) for direct materials. Which of the following factors is most likely to make the implementation difficult?

- A. Complexity of the purchasing process
- B. Cost of the application software upgrades
- C. Management of variable lead times
- D. Resistance of material suppliers

Answer: A

**NEW QUESTION 139**

- (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 140**

- (Topic 2)

Benchmarking a firm's performance against industry competitors is most valuable because it can reveal:

- A. a competitor's manufacturing processes.
- B. a firm's leadership ranking relative to industry peers.
- C. which processes require improvement.
- D. that no further improvement is possible.

Answer: C

**NEW QUESTION 143**

- (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 148**

- (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 150**

- (Topic 2)

The best way to manage a business relationship is to measure performance to:

- A. cost of ownership metrics.
- B. quality targets.
- C. on-time delivery.
- D. agreed-upon metrics.

Answer: D

**NEW QUESTION 155**

- (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 157**

- (Topic 2)

A company originally based in Germany sets up companies in India, China, Vietnam, Mexico, and Brazil. It sources most of the raw materials locally and employs the local workforce to manage and produce finished goods. Most of the goods produced are consumed in the same country. The company can be classified as what type of enterprise?

- A. Globally integrated
- B. Domestic
- C. Multinational
- D. Virtual

**Answer: C**

**NEW QUESTION 161**

- (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 163**

- (Topic 2)

A manufacturer is the leader of a group of trading partners that are collaborating to improve customer service levels and profitability. Which of the following methodologies would be most appropriate for synchronizing supply and demand across the supply chain?

- A. Sales and operations planning
- B. Distribution requirements planning
- C. Supply Chain Operations Reference-model
- D. Supply chain event management

**Answer: A**

**NEW QUESTION 165**

- (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 166**

- (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 169**

- (Topic 3)

Which of the following outcomes most likely is the primary reason for outsourcing production of a new product?

- A. Increase control of the supply chain
- B. Increase flexibility of the supply chain
- C. Reduce required capital investment
- D. Reduce the need for skilled workers

**Answer: C**

**NEW QUESTION 172**

- (Topic 3)

Which of the following actions is most appropriate when implementing a strategy to create customer-affordable value?

- A. Use a more rapid transportation mode.
- B. Increase safety stock.
- C. Extend product warranty.
- D. Employ lean principles.

**Answer: D**

**NEW QUESTION 177**

- (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 182**

- (Topic 3)

The benefit most likely to result from a collaborative forecasting process is:

- A. improvement in forecast accuracy.
- B. improvement in forecast responsiveness.
- C. reduction of the coefficient of variation.
- D. reduction of forecasting effort.

**Answer: A**

**NEW QUESTION 187**

- (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 188**

- (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 189**

- (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 191**

- (Topic 3)

What benefit does Radio Frequency Identification (RFID) technology provide for a high- volume, low-cost manufacturer?

- A. Reduces store thefts
- B. Eliminates the effects of bullwhip
- C. Eliminates stock out at store level
- D. Reduces number of touch points in pallet handling

**Answer: D**

**NEW QUESTION 194**

- (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 197**

- (Topic 3)

Which of the following constraints is most important to consider when adapting a vertical integration strategy?

- A. Location of suppliers
- B. Location of customers
- C. Capital requirements
- D. Size of existing manufacturing plant

**Answer: C**

**NEW QUESTION 201**

- (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 205**

- (Topic 3)

Which of the following approaches reduces lead times from supplier to customer using point of sale data?

- A. Advanced shipping notice (ASN)
- B. Continuous quality improvement (CQI)
- C. Vendor-managed inventory (VMI)
- D. Efficient consumer response (ECR)

**Answer: D**

**NEW QUESTION 210**

- (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 214**

- (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 217**

- (Topic 3)

The primary risk that must be considered when lean practices are applied to a supply chain network is:

- A. decreased operations flexibility.
- B. decreased inventory availability.
- C. increased total ordering costs.
- D. increased customer returns.

**Answer: B**

**NEW QUESTION 222**

- (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 224**

- (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 225**

- (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 229**

- (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 230**

- (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 233**

- (Topic 3)

When trying to decide whether to outsource its customer relationship management function, a company primarily should consider which of the following factors?

- A. Location of the service provider
- B. Internal controls of the company
- C. Compatibility of computer hardware
- D. Transaction costs

**Answer: B**

**Explanation:**

A grocery store found that ground beef sales increased when buns were a featured sales item. This customer relationship management technique is called:

- A. data mining.
- B. data tracking.
- C. contact management.
- A. D. order entry. Answer: A

**NEW QUESTION 235**

- (Topic 3)

The purchasing manager of a company wants to minimize stock-outs as well as obsolete inventory. Which of the following tools needs to be implemented?

- A. Blanket purchase order
- B. Advanced planning and scheduling (APS)
- C. Buy-back contracts
- D. Business-to-business integration software

**Answer: C**

**NEW QUESTION 238**

- (Topic 3)

A retailer sets service-level targets intended to maximize total profit. The retailer's service level target should be highest for items with a high profit margin and:

- A. low variability of demand.
- B. made to stock.
- C. small replenishment lot size.
- D. made to order.

**Answer: A**

**NEW QUESTION 239**

- (Topic 3)

A firm decides to reduce the number of distribution centers it uses. Which of the following outcomes is the most likely result of this change?

- A. Order-fill rate will increase.
- B. Total safety stock will increase.
- C. Delivery lead time will decrease.
- D. Outbound transportation cost will decrease.

**Answer: A**

**NEW QUESTION 240**

- (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 245**

- (Topic 3)

Short order cycles to facilitate rapid replenishment will result in:

- A. minimal in-process inventory.
- B. fewer inventory moves.
- C. improved communications to customers.
- D. increased supplier collaboration.

**Answer: A**

**NEW QUESTION 246**

- (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 247**

- (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 249**

- (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 250**

- (Topic 3)

The most useful inventory costing method which enables purchase price variance analysis is:

- A. average costing.
- B. standard costing.
- C. last in first out (LIFO) costing.
- D. first in first out (FIFO) costing.

Answer: B

**NEW QUESTION 255**

- (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 260**

- (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 262**

- (Topic 3)

Which of the following objectives is the primary driver in the design and implementation of lean process management?

- A. Reducing the level of inventory
- B. Decreasing the cash-to-cash cycle
- C. Integrating processes between departments
- D. Satisfying customer requirements

Answer: D

**NEW QUESTION 263**

- (Topic 3)

A company that is having difficulties prioritizing resources against a long list of improvement projects should use which of the following processes?

- A. Control chart
- B. Competitive benchmarking
- C. Pareto analysis
- D. Six Sigma

Answer: C

**NEW QUESTION 265**

- (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 267**

- (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 269**

- (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 272**

- (Topic 3)

Which of the following approaches typically would be most effective in increasing inventory velocity in a supply chain?

- A. Using faster modes of transportation
- B. Using third-party logistics firms
- C. Reducing the inventory idle time
- D. Adding capacity at bottlenecks

**Answer:** C

**NEW QUESTION 277**

- (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 282**

- (Topic 3)

Which of the following types of raw materials would be most appropriate to source via an Internet-based trading exchange?

- A. Expensive material that is critical to the finished good
- B. Expensive material for which there are several substitutes
- C. Inexpensive material that is critical to the finished good
- D. Inexpensive material for which there are many sources

**Answer:** :D

**NEW QUESTION 283**

- (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 288**

- (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 291**

- (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 294**

- (Topic 3)

The purpose of capacity requirements planning is to determine:

- A. the number of overtime hours required to complete a job.
- B. when equipment and labor are needed.
- C. what materials are needed.
- D. what materials require expediting.

**Answer: B**

#### **NEW QUESTION 295**

- (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 298**

- (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 303**

- (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 308**

- (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 311**

- (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 312**

- (Topic 3)

Which of the following factors typically is most critical to effective change management?

- A. Early involvement of key stakeholders
- B. Extensive stakeholder education
- C. Analysis of the root causes of problems
- D. Quantification of potential benefits of the change

**Answer: :A**

**NEW QUESTION 316**

- (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 321**

- (Topic 3)

Which of the following procurement strategies is most appropriate for a high-risk, high- value item?

- A. Procuring in bulk to take advantage of volume pricing
- B. Using an electronic trading platform to source items securely
- C. Entering into vendor managed inventory (VMI) agreement
- D. Creating a close collaborative relationship with the supplier

**Answer: D**

**NEW QUESTION 324**

- (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 329**

- (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 333**

- (Topic 3)

Which of the following supplier performance factors typically is most critical for organizations that outsource production?

- A. Speed
- B. Reliability
- C. Flexibility
- D. Malfunction recovery

Answer: B

**NEW QUESTION 336**

- (Topic 3)

If a company successfully implements a sales and operations planning process, which of the following measures would be expected to increase?

- A. Percentage of on-time deliveries
- B. Cash-to-cash cycle time
- C. Forecast variation
- D. Cost of goods sold

Answer: A

**NEW QUESTION 339**

- (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 344**

- (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 349**

- (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 351**

- (Topic 3)

A company that manufactures complex mechanical assemblies to customer order and ships them directly to the customer is implementing manufacturing cells. The benefit most likely to result from this effort is a reduction in the:

- A. number of component shortages.
- B. production planning horizon.
- C. time to fill customer orders.
- D. response time to a request for quote.

Answer: C

**NEW QUESTION 352**

- (Topic 3)

A common benefit of including an automatic identification system (AIS) at the point of sale (POS) in retail stores is improved:

- A. shipment traceability.
- B. unit inventory precision.
- C. sales revenue tracking.
- D. information integrity of freight bills.

Answer: B

**NEW QUESTION 354**

- (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 359**

- (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 362**

- (Topic 3)

Companies interested in developing programs to pinpoint customer loyalty rely on customer relationship management tools that produce which of the following outputs?

- A. Transaction management
- B. Forecast, process, and information sharing
- C. Churn analysis and prediction
- D. Event and service management

**Answer:** C

**NEW QUESTION 366**

- (Topic 3)

Which of the following factors are fundamental to transportation performance?

- A. Full truck loads, maintenance, discounts
- B. Quality, Just-in-Time, invoicing
- C. Contract performance, order tracking, flexibility
- D. Cost, speed, delivery consistency

**Answer:** D

**NEW QUESTION 371**

- (Topic 3)

Which of the following factors is most important to consider when deciding on offshore outsourcing of manufacturing to a supplier?

- A. Size of the supplier organization
- B. Total cost of ownership
- C. Supplier performance history
- D. Supplier certification

**Answer:** B

**NEW QUESTION 374**

- (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 375**

- (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 376**

- (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 379**

- (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 384**

- (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 385**

- (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 390**

- (Topic 3)

The implementation of major enterprise-wide changes to eliminate or significantly reduce waste is related to which of the following concepts?

- A. Kaizen
- B. Kanban
- C. Six Sigma
- D. Lean

**Answer: D**

**NEW QUESTION 392**

- (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 393**

- (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 397**

- (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 398**

- (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 402**

- (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 407**

- (Topic 3)

What is the appropriate supply chain strategy for a product with low demand uncertainty and high economies of scale?

- A. Pull
- B. Push
- C. Push-pull
- D. Postponement

**Answer: B**

**NEW QUESTION 410**

- (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 414**

- (Topic 3)

In the supplier rationalization step of the supplier relationship management process, the supplier base is treated like:

- A. a rival competitor in a tight market.
- B. an extension of the enterprise.
- C. a subcontractor with the lowest bid.
- D. an end customer with 50% of the demand.

**Answer: B**

**NEW QUESTION 419**

- (Topic 3)

Which of the following actions is key to identifying potential problems in lean supply chain development?

- A. Implement vendor managed inventory
- B. Install a supply chain solution
- C. Reduce customer order size
- D. Reduce inventory levels

Answer: D

**NEW QUESTION 424**

- (Topic 3)

The ABC classification system answers which two of the following inventory-related questions?

- A. How much inventory should be ordered at one time, and when will the order be placed?
- B. What is the importance of the inventory item, and how will the inventory items be controlled?
- C. How much inventory should be ordered at one time, and what is the importance of the inventory item?
- D. When will the order be placed, and how will the inventory items be controlled?

Answer: B

**NEW QUESTION 428**

- (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 430**

- (Topic 3)

Marketing affects supply chain management decisions primarily by its involvement in:

- A. analyzing economic indicators.
- B. pricing, placing, and promoting products.
- C. determining product requirements.
- D. determining forecast error.

Answer: B

**NEW QUESTION 434**

- (Topic 3)

A supervisor knows that employees have good ideas for improving department operations but are hesitant to share them. Which of the following tools would be most appropriate for encouraging the employees to participate in identifying opportunities?

- A. Tree diagram
- B. Pareto chart
- C. Process map
- D. Affinity diagram

Answer: D

**NEW QUESTION 439**

- (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 442**

- (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 443**

- (Topic 3)

Which of the following measures typically would be considered an aspect of the environmental impact of a supply chain?

- A. Amount of funds invested in infrastructure improvements

- B. Hours of employee education about environmental stewardship
- C. Weight and volume of packaging materials used
- D. Total number of people making a living wage

**Answer: C**

**NEW QUESTION 446**

- (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 449**

- (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 454**

- (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 456**

- (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 461**

- (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 465**

- (Topic 3)

A manufacturing company with limited competence in logistics plans to expand into an international market. The most appropriate initial action the company should take is to:

- A. buy a distribution company.
- B. build a distribution network.
- C. engage a third-party logistics company.
- D. gain logistics experience.

**Answer: C**

**NEW QUESTION 468**

- (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 473**

- (Topic 3)

A manufacturer experiences frequent changes in product technology and market preferences, resulting in new product introductions each year. Which of the following sourcing strategies would be most appropriate?

- A. Sole sourcing
- B. Multiple sourcing
- C. Long-term contracting
- D. Strategic partnering

**Answer: D**

**NEW QUESTION 475**

- (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 476**

- (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 477**

- (Topic 3)

E-business allows a firm to capitalize on the use of systems that:

- A. speed the receipt of e-mails between companies.
- B. permit real-time use of supply chain data.
- C. permit the use of batch-processed data.
- D. ensure security of proprietary data.

**Answer: B**

**NEW QUESTION 482**

- (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 486**

- (Topic 3)

Which of the following activities is the most appropriate use of an advanced planning and scheduling system?

- A. Selecting the target market for a product
- B. Optimizing transportation routes
- C. Creating a daily demand forecast
- D. Identifying constraints within a facility

**Answer: D**

**NEW QUESTION 489**

- (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 490**

- (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 492**

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