CIPS.L5M7.v2026-04-13.q31

Exam Code:	L5M7
Exam Name:	Achieving Competitive Advantage Through the Supply Chain (L5M7)
Certification Provider:	CIPS
Free Question Number:	31
Version:	v2026-04-13
# of views:	126
# of Questions views:	310
https://www.exam-tests.com/L5M7-exam/CIPS.L5M7.v2026-04-13.q31.html	

NEW QUESTION: 1

To analyse thevalue of inventory held, which data points must be collected? Select TWO.

A. Number of items sold

B. Number of items held in storage

C. Purchase price

D. Expiry date

Answer: B,C (LEAVE A REPLY)

Inventory valuation requires data onquantity in stockandunit purchase cost. These determine the total inventory value at any given time.

Short cited extract: "Inventory value = number of items × purchase cost." (L5M7 Study Guide, p.147) Reference:CIPS L5M7 Study Guide, p.147.

NEW QUESTION: 2

For items viewed asStrategic/Critical(high supply risk and high value), which sourcing strategy is best?

A. Competitive bidding

B. Outsourcing

C. Partnership or alliance approach

D. Arm's-length relationship with supplier

Answer: C (LEAVE A REPLY)

TheKraljic Matrixrecommendspartnership/alliancesfor strategic items to secure continuity, innovation, and joint value creation. Short cited term: "strategic items ... partnership" (L5M7 Study Guide, p.84).

Reference:CIPS L5M7 Study Guide, p.84.

NEW QUESTION: 3

Which of the following is adisadvantageofJust-In-Time (JIT) Manufacturing?

A. You cannot obtain economies of scale

B. Inventories are wasteful and expensive

C. There is less waste produced

D. It is expensive to implement

Answer: A (LEAVE A REPLY)

JIT removes stockholding benefits, meaning firmslose economies of scalefrom bulk ordering. Each order is small and frequent.

Short cited term: "JIT limits bulk economies due to reduced inventory." (L5M7 Study Guide, p. 159) Reference:CIPS L5M7 Study Guide, p. 159.

NEW QUESTION: 4

According to theKraljic Matrix, suppliers are classified based on which TWO factors?

A. Cost impact

B. Risk impact

C. Position in the supply chain

D. Level of co-operation

Answer: A,B (LEAVE A REPLY)

TheKraljic Matrixplotssupply riskagainstprofit (cost) impactto determine supplier strategy (leverage, bottleneck, routine, strategic).

Short cited extract: "Matrix axes - profit impact vs supply risk." (L5M7 Study Guide, p. 83) Reference:CIPS L5M7 Study Guide, p. 83.

NEW QUESTION: 5

Which of the following isnota characteristic ofQuality Managementfound inISO 9001?

A. Customer focus

B. Involvement of people

C. Continuous Improvement

D. Protection of the environment

Answer: (SHOW ANSWER)

ISO 9001focuses oneight principlessuch as customer focus, leadership, and improvement.Environmental protectionbelongs underISO 14001, not 9001.

Short cited term: "environment protection covered by ISO 14001, not 9001." (L5M7 Study Guide, p. 122) Reference:CIPS L5M7 Study Guide, p. 122.

NEW QUESTION: 6

Long runs, stable product design, and inventory buffers are objectives of which business function?

A. Sourcing

B. Manufacturing

C. Logistics
D. Sales
Answer: B ([LEAVE A REPLY])
Manufacturing objectivesemphasise efficiency throughlong production runs,stable design, andinventory bufferingto ensure continuity of output.
Short cited term: "manufacturing - long runs and inventory buffer." (L5M7 Study Guide, p. 36) Reference:CIPS L5M7 Study Guide, p. 36.

NEW QUESTION: 7
An organisation can leverage effective Supply Chain Management to deliverCompetitive Advantage. What is meant byCompetitive Advantage?
A. Outperforming competitors financially
B. Becoming the leader in the marketplace through working closely with the supply chain
C. A benefit that an organisation can use to outperform competitors in the marketplace
D. Cost savings by narrowing the supply chain
Answer: C ([LEAVE A REPLY])
Competitive advantageis adistinct capabilitythat allows an organisation tooutperform its rivals, whether through cost efficiency, quality, innovation, or service.
Short cited term: "advantage that enables outperforming competitors" (L5M7 Study Guide, p. 2).
Reference:CIPS L5M7 Study Guide, p. 2.

NEW QUESTION: 8
Which of the following could explain why an organisation chooses tooutsourcea function?
A. Control
B. Culture
C. Globalisation
D. Quality
Answer: D ([LEAVE A REPLY])
Outsourcing can improvequalitywhen a specialist provider performs the activity better than in-house teams.
Short cited extract: "Outsourcing to specialist providers can enhance quality and performance." (L5M7 Study Guide, p. 94) Reference:CIPS L5M7 Study Guide, p. 94.

NEW QUESTION: 9
In a typicalSupply Chain Quality Framework (SCQF), which of the following characteristics is likely to feature?
Select THREE.
A. Sustainability
B. Information
C. Continuous Improvement

D. Procurement
E. Marketing
Answer: (SHOW ANSWER)
TheSCQFintegrates factors that promote long-term excellence across the chain:leadership, stakeholder commitment, sustainability, information management, and continuous improvement. These underpin effective quality and performance.
Short cited term: "key features include sustainability, information and continuous improvement." (L5M7 Study Guide, p. 34) Reference:CIPS L5M7 Study Guide, p. 34.

NEW QUESTION: 10
A company which usesClient Experience Strategyas part of its marketing tactic would provide which of the following?
Select TWO.
A. Listen to customer feedback
B. Provide a website
C. Personalise the user experience
D. Lower prices
Answer: A,C (LEAVE A REPLY)
AClient Experience Strategyfocuses on enhancing theend-to-end customer journeyby understanding customer needs, personalising interactions, and incorporating feedback.
Short cited extract: "Customer experience strategy includes listening to feedback and personalising interactions." (L5M7 Study Guide, p.183) Reference:CIPS L5M7 Study Guide, p.183.

NEW QUESTION: 11
Which of the following departments within an organisation form part of theValue Chain?
Select THREE.
A. Logistics
B. Operations
C. Marketing
D. Procurement
E. Human Resources
Answer: A,B,C (LEAVE A REPLY)
According toMichael Porter's Value Chain,primary activitiesincludeinbound logistics, operations, outbound logistics, marketing and sales, and service.Procurement and HRaresupport activities.
Short cited term: "primary activities - logistics, operations, marketing and sales" (L5M7 Study Guide, p. 76).
Reference:CIPS L5M7 Study Guide, p. 76.

NEW QUESTION: 12

In a supply chain, can adownstream supplierinfluence all aspects of quality includingcustomer perception?

A. Yes - downstream suppliers have the most power in the chain

B. Yes - customer perception is derived from the supplier's inputs and specification

C. No - customer perception is influenced by other functions such as marketing

D. No - a downstream supplier has no control over quality at all

Answer: C (LEAVE A REPLY)

A downstream supplier influencesmost aspects of qualitybutnot customer perception, which is shaped by marketing and brand functions.

Short cited term: "except customer perception, influenced by marketing" (L5M7 Study Guide, p. 30).

Reference:CIPS L5M7 Study Guide, p. 30.

NEW QUESTION: 13

What are some disadvantages to a multi-sourcing strategy in a supply chain? Select TWO.

A. Possibility of having surplus stock

B. Inconsistency in quality

C. Less dependency on one supplier

D. Relationships are more transactional

Answer: (SHOW ANSWER)

Multi-sourcing canincrease inventory/duplicationand createquality inconsistencybetween sources. Reduced dependency (C) is anadvantage, and (D) is a neutral characteristic rather than a disadvantage. Short extract: " multiple sources may lead to duplication/stock and variable quality." (L5M7 Study Guide, p.6) Reference:L5M7 Study Guide, p.6.

NEW QUESTION: 14

Within the supply chain, which of the following isnot considered a 'flow'?

A. Materials flow

B. Information flow

C. Financial flow

D. Decision flow

Answer: D (LEAVE A REPLY)

Supply chains are characterised bythree primary flows- materials, information, and finance. "Decision flow" is not a recognised category.

Short cited term: "three main flows: material, information, finance." (L5M7 Study Guide, p. 155) Reference:CIPS L5M7 Study Guide, p. 155.

NEW QUESTION: 15

In a confectionery factory, quality inspection occurs before packaging. If a product is found defective, which type ofcost of qualityis incurred?

A. Internal failure cost

B. External failure cost
C. Prevention cost
D. Appraisal cost
Answer: A (LEAVE A REPLY)
Defects discoveredbefore dispatchare classified asinternal failures, including rework, scrap, or re-inspection.
Short cited term: "internal failure = defects found before reaching customer." (L5M7 Study Guide, p. 128) Reference:CIPS L5M7 Study Guide, p. 128.

NEW QUESTION: 16
Mark, a logistics procurement manager, describes his chain astightly coupled. What does this mean?
A. There are many organisations in the supply chain
B. The supply chain is strong
C. There is a high level of interdependency in the supply chain
D. There is flexibility in the supply chain
Answer: C (LEAVE A REPLY)
Atightly coupledsupply chain exhibitshigh interdependencebetween members; decisions by one partner affect all others.
Short cited extract: "Tightly coupled = high interdependence between supply-chain partners." (L5M7 Study Guide, p. 82) Reference:CIPS L5M7 Study Guide, p. 82.

NEW QUESTION: 17
A marketplace which is described as a'red ocean'has which of the following characteristics?
A. Highly competitive
B. No competition
C. Easy to enter
D. Lots of substitute products available
Answer: A (LEAVE A REPLY)
ARed Oceanmarket ishighly competitivewith many firms fighting for market share, leading to price wars and reduced margins.

Short cited term: "red ocean = intense competition and saturated market." (L5M7 Study Guide, p. 179) Reference:CIPS L5M7 Study Guide, p. 179.

NEW QUESTION: 18
When analysing a series of data, the number which occurs most frequently is known as what?
A. Median
B. Mode
C. Mean
D. Average
Answer: B (LEAVE A REPLY)
TheModeis the value thatappears most oftenin a dataset, distinguishing it from themean(average) and median(middle value).
Short cited term: "mode = most frequent value." (L5M7 Study Guide, p. 149)
Reference:CIPS L5M7 Study Guide, p. 149.

NEW QUESTION: 19
In what way has the increase in the use oftechnologyaffected buyer-supplier relationships?
A. It has reduced the bargaining power of suppliers as buyers now have access to a wider pool of suppliers and product information.
B. It has increased the bargaining power of suppliers as they can provide faster quotations.
C. It has reduced the bargaining power of buyers because there are fewer suppliers.
D. It has increased the bargaining power of buyers because technology has increased operational costs.
Answer: A (LEAVE A REPLY)
Technology enhancesbuyer access to data, broadening supplier choice and transparency, whichreduces supplier power.
Short cited term: "technology has reduced suppliers' bargaining power" (L5M7 Study Guide, p. 66).
Reference:CIPS L5M7 Study Guide, p. 66.

NEW QUESTION: 20
Which of the following is an example of aCapital Expenditurefor a private healthcare facility?
A. MRI Machine
B. Nurse's Salary
C. Cleaning Products
D. Medicine
Answer: (SHOW ANSWER)

Capital expenditure (CapEx)coverslong-term investmentssuch as equipment or infrastructure that deliver value over time-e.g., MRI scanners. Operating costs (OpEx) include salaries and consumables.
Short cited extract: "CapEx - major assets and equipment; OpEx - running costs such as wages." (L5M7 Study Guide, Domain 3.2) Reference:CIPS L5M7 Study Guide, Domain 3.2.

NEW QUESTION: 21
When would you use aFishbone (Ishikawa) Diagram?
A. To decide which supplier to use
B. To map issues in the supply chain
C. To identify the cause of a problem
D. To clarify a relationship
Answer: C (LEAVE A REPLY)
AFishbone Diagramidentifiesroot causesof problems by categorising factors (e.g., people, process, materials, environment).
Short cited term: "used to identify root causes of problems." (L5M7 Study Guide, p. 126) Reference:CIPS L5M7 Study Guide, p. 126.

NEW QUESTION: 22
Guppy Fish Ltd manufactures machinery. A rival is releasing automated technology that could replace manual operation. What type of threat does this pose?
A. Bargaining power of suppliers
B. Bargaining power of buyers
C. Threat of new entrants
D. Threat of artificial intelligence
Answer: (SHOW ANSWER)
According toPorter's Five Forces, new automated competitors represent athreat of new entrants, introducing innovation and market pressure.
Short cited extract: "New entrants increase competition and threaten existing players." (L5M7 Study Guide, p.
56)
Reference:CIPS L5M7 Study Guide, p.56.

NEW QUESTION: 23
What isBusiness Process Re-engineering (BPR)?
A. Comparison of business strengths and weaknesses
B. A strategy that analyses workflow to find efficiencies
C. Repositioning a company in its market segment
D. Refinancing of a company
Answer: B (LEAVE A REPLY)

BPRexamines and redesignsworkflows and processesto remove waste and maximise efficiency and customer value.
Short cited extract: "BPR - radical review of workflows to achieve major efficiency improvements." (L5M7 Study Guide, p. 111) Reference:CIPS L5M7 Study Guide, p. 111.

NEW QUESTION: 24
Which of the following are considered the'Golden Metrics'used to measure performance? Select THREE.
A. Safety
B. Total Cycle Time
C. Delivery Performance
D. Financial Stability
E. Ethics
Answer: (SHOW ANSWER)
Thefive Golden Metricsof supply chain performance are:safety,quality,delivery performance,total cost, and total cycle time. They represent universally accepted indicators of operational excellence.
Short cited extract: "Golden Metrics - safety, quality, delivery, total cost, total cycle time." (L5M7 Study Guide, p.123) Reference:CIPS L5M7 Study Guide, p.123.

NEW QUESTION: 25
Deborah discovers her company uses amulti-sourcing strategy. Which could be a reason for this?
A. It shows loyalty to the supplier
B. It ensures prices are low
C. It maintains competition between suppliers
D. It provides flexibility to suppliers
Answer: (SHOW ANSWER)
Multi-sourcingmaintainscompetitionand reduces dependency, promoting better pricing and performance from suppliers.
Short cited extract: "Multi-sourcing maintains competitive tension between suppliers." (L5M7 Study Guide, p. 70) Reference:CIPS L5M7 Study Guide, p. 70.

NEW QUESTION: 26
Electro Bob is a wholesaler of electrical equipment. One of its customers, RoostyFace, spends very little and is unlikely ever to increase its spend. Whattype of customeris RoostyFace to Electro Bob (Supplier Preferencing Model)?
A. Core
B. Annoying
C. Exploitative
D. Nuisance

Answer: D (LEAVE A REPLY)
In supplier preferencing,nuisancecustomers havelow value/attractivenesswithlimited growth potential.
Short cited terms: "nuisance," "low attractiveness/low value" (L5M7 Study Guide, p.86).
Reference:CIPS L5M7 Study Guide, p.86.

NEW QUESTION: 27
Which of the following is an example of aclosed-loopsupply chain?
A. A farm supplying milk to a dairy manufacturer
B. The extraction of diamonds from a mine sold to a jewellery manufacturer
C. The sale of second-hand cars at a retail outlet
D. A retailer which accepts old phones to be given back to the manufacturer
Answer: D (LEAVE A REPLY)
Aclosed-loop supply chainreturns used products to the chain forreuse/recycling/remanufacture. Short extract: "closed loop - products/materials re-enter the supply chain." (L5M7 Study Guide, pp.5-7) Reference:L5M7 Study Guide, pp.5-7.

NEW QUESTION: 28
Which of the following is an example ofexceedingcustomers' expectations? Select TWO.
A. Providing the item desired in a different colour
B. A customer orders an item online and it is delivered on the expected day
C. The price is lower than the customer expected to pay
D. Providing a free gift when a purchase is made
Answer: C,D (LEAVE A REPLY)
Meeting expectations (B) is not exceeding them. Exceeding is demonstrated byunexpected extra valuesuch as lower-than-expected priceora free add-on. Short extract: "exceeding expectations-delighting customers with additional/unexpected value." (L5M7 Study Guide, p.121) Reference:L5M7 Study Guide, p.121.

NEW QUESTION: 29
Kerry is a new department manager at XYZ Ltd. The company has several manufacturing divisions that serve different market segments. She is considering introducingTotal Quality Management (TQM)only in her division. Is this a good idea?
A. Yes - TQM will ensure her division outperforms the other divisions
B. Yes - staff will respond positively to the change
C. No - TQM is a holistic approach and should be implemented company-wide
D. No - TQM is not suitable in a manufacturing company
Answer: C (LEAVE A REPLY)
TQM is aholisticphilosophy requiringorganisation-wideadoption and leadership commitment; partial

/isolated adoption undermines results. Short cited terms: "holistic," "organisation-wide commitment" (L5M7 Study Guide, p.118).
Reference:CIPS L5M7 Study Guide, p.118.

NEW QUESTION: 30
Total Quality Management (TQM)is a long-term strategy. Is this TRUE?
A. Yes - effort is required in the short and medium term; results may not be immediate
B. Yes - TQM requires at least one year to implement
C. No - TQM is a short-term efficiency strategy
D. No - TQM makes a firm more Lean short-term
Answer: A (LEAVE A REPLY)
TQMis along-term philosophydemanding sustained commitment; benefits emerge gradually through continuous improvement.
Short cited extract: "TQM is a long-term commitment where results may not be immediate." (L5M7 Study Guide, p. 118) Reference:CIPS L5M7 Study Guide, p. 118.

NEW QUESTION: 31
The effective balancing ofdemand variabilityandinventorythat achieves the optimal time a product passes through the supply chain is known as:
A. Just-in-Time
B. Lean Manufacturing
C. The Theory of Swift, Even Flow
D. Cycle Time
Answer: C (LEAVE A REPLY)
TheTheory of Swift Even Flowstates that organisational efficiency improves as the flow of materials, information, and cash becomessmooth and consistentthrough the chain.
Short cited term: "balancing demand and inventory to achieve swift, even flow." (L5M7 Study Guide, p. 37) Reference:CIPS L5M7 Study Guide, p. 37.

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