

**Exam Code:** A10

**Exam Name:** Measuring Performance in Purchasing and  
Supply

**Vendor:** CIPs

**Version:** DEMO

## **Part: A**

1: International Advanced Certificate in Purchasing and Supply

Measuring Performance in Purchasing and Supply

A10

Instructions for Candidates:

This examination is in **THREE** sections.

Section A

Has **TEN** compulsory multiple-choice questions, worth 2 marks each.

Section B

Has **SIX** compulsory short-answer questions, worth 5 marks each.

Section C

Has **THREE** compulsory longer-answer questions. Questions 17 and 18 are worth 15 marks each. Question 19 is worth 20 marks.

1. Do not open this question paper until instructed by the invigilator.
2. All answers must be written in the answer booklet provided.
3. All rough work and notes should also be written in the answer booklet.

**Correct Answers:**

2: SECTION A

Questions 1 ?;C 10 are multiple choice questions. For each question, select **ONE** correct answer from A to D and write it in your answer booklet. You are advised to spend approximately 30 minutes on this section.

**Correct Answers:**

3: Q1. Which of the following measures could be used to verify the effectiveness of stores management?

- A.Value of credits taken
- B.Value of credit given
- C.Value of stock orders placed
- D.Value of stock damaged

**Correct Answers:**

4: Q2. Which of the following does the abbreviation ROE normally refer to?

- A.Return on equity
- B.Restoration of equipment
- C.Results of effectiveness
- D.Recycling operational efficiency

**Correct Answers:**

5: Q3. Which of the following is an appropriate measure of customer service in a stores environment?

- A.Accuracy of stock-turns

- B.Accuracy of stock checks
- C.Accuracy of first time picks
- D.Accuracy of stock positioning

**Correct Answers:**

6: Q4. Which of the following would be considered the best method of improving the quality of goods received?

- A.Implementation of ISO14001
- B.A performance measurement agreement
- C.A call off agreement
- D.A financial penalty scheme

**Correct Answers:**

7: Q5. Which of the following is most likely to improve the overall efficiency of a purchasing office?

- A.Use of vendor rating systems
- B.Use of SMART controllers
- C.Use of blanket orders
- D.Use of wider base of suppliers

**Correct Answers:**

8: Q6. A buyer is concerned about improving the cost of materials received. Which of the following would be considered the best means of assessing current purchasing performance?

- A.Comparisons with industry index numbers
- B.Inflation assessment calculations
- C.Cost/profit volume analysis
- D.Negotiation with existing suppliers

**Correct Answers:**

9: Q7. Which of the following is the most often quoted benefit of joint performance measurement and relationship building techniques?

- A.Supplier base enlargement
- B.More understanding of the supply chain
- C.More varied problems
- D.More professional development

**Correct Answers:**

10: Q8. Shows Image:

An organisation has an item in stock which it purchased at £30 each. The supplier's price decreases to £28.50. Which of the following is correct? (2 marks)

- A. The business gains a profit of 5% on each item
- B. The business profit is unchanged
- C. The business incurs a loss of 5% on each unit
- D. The business has a saving of £1.50 per unit.

**Correct Answers:**