examunion

Certified IT Exam Material Authority

Accurate study guides, High passing rate!
We offer free update service for one year!
http://www.examunion.com

Exam : L4M6

Title : Supplier Relationships

Version : DEMO

1.When developing a supplier partnership, a buyer can take either a strategic or reactive approach. What would be a reason for a reactive approach?
A. You discover that the supplier has a high profit margin
B. The buyer wishes to create a new product and requires input from a supplier
C. Sudden changes in the marketplace
D. It will allow for consolidation in the supply chain
Answer: C
Explanation:
The correct answer is 'Sudden changes in the marketplace' – this is a reason a buyer would be reactive. Reactive is when something happens to you and it forces you to act in a certain way. The other options would be strategic rather than reactive. P. 163

2.What is a disadvantage of including qualitative KPIs into a contract?
A. They can lead to poor supplier performance
B. They pull focus from the more important quantitative KPIs
C. They are hard to measure
D. They make the buyer seem weak
Answer: C
Explanation:
The correct answer is 'They are hard to measure' p.103

3.In Public Sector procurement a PIN is sent out to inform suppliers of an upcoming tender opportunity. What does PIN stand for?
A. Prior Information Notice
B. Procurement Information Number
C. Procurement Identification Number
D. Possibilities Identified Notice
Answer: A
Explanation:
A PIN is a 'prior information notice' – it is sent out before the ITT to let suppliers know that an opportunity is coming up and they should look out for it. See p 72 "supplier identification-public sector" for more details.

4.Brian Air is a company that is trying to break into the air transport market.
Which of the following could be barriers to entry for Brian Air? Select THREE
A. economies of scale
B. access to capital
C. licences and permits
D. health and safety
E. ethical sourcing
Answer: A,B,C
Explanation:
Barriers to entry are economies of scale (in the air travel industry you can't just start off small and grow), access to capital (you need to already have a lot of money to buy airplanes) and licences and permits

(you need to ensure you have the correct licences to fly planes). These are listed on p.41. Other barriers include; strong brand identity already dominant in the market, high switching costs for buyers, access to distribution networks and government policy.

5.Which of the following documents would you expect a supplier to submit as part of a Request for Proposal? Select THREE
A. Full pricing information
B. Liquidity Ratio
C. Risk Assessments
D. Method Statements
E. Gearing Ratio
Answer: A,C,D
Explanation:
You would expect a supplier to submit full pricing information, risk assessments and method statements. However, depending on what you're procuring, you might not need to see risk assessments or method statements. Liquidity and Gearing may be looked at during the Pre-Qualification stage, but wouldn't form part of a RFP. See p.76