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Exam : **A10**

Title : Measuring Performance in Purchasing and Supply

Version : Demo

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.

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.

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
Answer: B

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
Answer: B

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
Answer: C

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

Answer: D

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
Answer: A

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
Answer: A

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
Answer: D

10.Q8. Shows Image:

11.Q9. Which of the following would be the expected outcome of entering into a consignment stock agreement with a supplier?
A. A reduction in stock value reported in the financial accounts system
B. A reduction to the capital base of the supplier
C. A reduction in the purchaser's payment terms
D. An improvement in the debtor portfolio of the buying company
Answer: B

12.Q10. Which of the following adds value to procurement activities?
A. A large supplier database
B. A narrow supplier database
C. An organised and defined supplier database
D. An unstructured supplier database
Answer: A

13.SECTION B

Questions 11 ¨¬C 16 are shor-answer questions. You are advised to spend approximately 60 minutes on this section.

14.CORRECT TEXT
Q11. Identify the FIVE stages that should be followed to ensure an effective staff appraisal.

15.CORRECT TEXT
Q12. List FIVE benefits of reducing the total number of suppliers.

16.CORRECT TEXT
Q13. Explain TWO ways in which continuous professional development (CPD) can be achieved by purchasers.

17.CORRECT TEXT
Q14.
(a) List THREE key performance indicators (KPI) or measurement methods that can be used to monitor the performance of the stores function in a business.
(b) Outline how these KPIs may improve the management of stock.

18.CORRECT TEXT
Q15.
(a) Briefly describe the purpose of supplier benchmarking.
(b) Identify TWO problems that can be encountered with benchmarking.

19.CORRECT TEXT
Q16. Explain TWO measurements that would contribute to a simple vendor rating process.

20.SECTION C
Questions 17 ¨¬C 19 require full answers with examples where appropriate. You are advised to spend approximately half an hour on each question.