



630-005

(C.P.M. Module 1: Purchasing Process)

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Question: 1.

A purchaser places a purchase order with XYZ Company close to the need date. The MOST appropriate course of action for the purchaser to take would be to

- A. tell the supplier to call 3 days prior to the promised shipping date
- B. tell the receiving clerk to call the supplier if the materials are not received on the promised date
- C. establish a follow-up file to call the supplier one week before the promised ship date
- D. call the supplier the day the shipment is promised

Answer: C

Question: 2.

Which of the following contracts rewards performance above a set level by adding a percentage to price?

- A. Bilateral
- B. Blanket
- C. Futures
- D. Incentive

Answer: D

Question: 3.

To ensure that a supplier will meet engineering specifications for a product, a buyer should insist on which of the following contract provisions?

- A. An arbitration clause
- B. The indexing of price to inspection costs
- C. Discounts based on total purchases over a period of time
- D. An acceptance test plan

Answer: D

Question: 4.

Purchasing should clearly understand the intended use of an item in order to determine if the Description given in the purchase request is adequate and accurate. If there is any question, purchasing management should

- A. solicit a better description from the user
- B. revise the description to conform to market terminology
- C. substitute a comparable item
- D. refuse to process the request

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Answer: A

Question: 5.

Which of the following is not a supplier input into the purchasing process?

- A. The potential for new products
- B. The inability of the supplier to meet the buyer's requirements
- C. A lack of technical expertise
- D. The potential for cost savings

Supplier inputs into the purchasing process include:

- A. The potential for new products
- B. The inability of the supplier to meet the buyer's requirements
- C. A lack of technical expertise
- D. The potential for cost savings

Answer: A

Question: 6.

The type of evaluation used in the purchasing process is which of the following?
 I. Complexity of the purchase
 II. Purchaser's knowledge

- A. I only
- B. II only
- C. Both I and II
- D. Neither I nor II

The type of evaluation used in the purchasing process is which of the following?
 I. Complexity of the purchase
 II. Purchaser's knowledge

Answer: C

Question: 7.

When attempting to select a supplier, which of the following is not a consideration?

- A. Financial stability
- B. Location
- C. References
- D. Previous experience

When attempting to select a supplier, which of the following is not a consideration?

Answer: B

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