

# **CIPS Level 2 – Certificate in Procurement and Supply Operations**

## **Module 2 – Procurement and Supply Operations**

### **SAMPLE EXAM QUESTIONS**

#### **OBJECTIVE RESPONSE QUESTIONS AND ANSWERS**

The correct answer will be identified as [key]

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Q1. The humanitarian charity Medicine sans Frontieres (also known as Doctors Without Borders) is an example of ...

- a. a private organisation
- b. a public organisation
- c. a third sector organisation [key]
- d. a small to medium enterprise

LO: 1

AC: 1.1

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Q2. Drag and drop the correct option into the blank space.

is regarded as a typical organisational function.

Reception, Production [key], Canteen, Car parking

LO: 1

AC: 1.3

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Q3. Which of the following is a type of contractual agreement?

- a. Dark purchase
- b. Light purchase
- c. Spot purchase [key]
- d. Last minute purchase

LO: 2

Ac: 2.1

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Q4. Fixed, lump sum and schedule of rates are all examples of ...

- a. types of pricing arrangements [key]
- b. types of contract
- c. types of purchases
- d. types of invoice

LO: 2

AC: 2.2

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Q5. A procurement professional might use internet based research when...

- a. measuring a supplier's performance
- b. sourcing the supply market [key]
- c. agreeing the terms of a contract
- d. receiving goods from a supplier

LO: 3

AC: 3.1

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Q6. Drag and drop the correct option into the blank space.

A  can be used to establish financial information about suppliers.

market research company, credit rating agency [key], chambers of commerce, debt collection agency

LO: 3

AC: 3.2

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Q7. Drag and drop the correct option into the blank space.

is defined as "a part of a transaction that takes place between 2 parties and refers to what must be given up by the buyer in order to obtain something offered by the seller".

price [key], revenue, inventory, stock

LO: 4

AC: 4.1

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- Q8. What pricing method might parties choose to adopt when inflation is relatively low and the supplier can anticipate what their cost will be without including unnecessarily large contingencies?
- a. Variable
  - b. Target
  - c. Fixed[key]
  - d. Cost plus

LO: 4

AC: 4.1

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- Q9. Which of the following is an advantage of using a performance specification?
- a) The risk is borne by the supplier [key]
  - b) The purchaser is able to give detailed measurements and dimensions
  - c) All quotations from suppliers will be the same
  - d) Tendering time can be reduced as there are a reduced number of suppliers able to supply

LO: 2

AC: 2.3

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- Q10. A 'fixed price contract' is one where the price ...
- a. has been quoted in writing by the supplier
  - b. may vary using an agreed formula
  - c. is the same as for previous orders
  - d. cannot be varied between the purchaser and seller [key]

LO: 2

AC: 2.2

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