

 **Pool Canvas**

Add, modify, and remove questions. Select a question type from the Add Question drop-down list and click **Go** to add questions. Use Creation Settings to establish which default options, such as feedback and images, are available for question creation.

Add [Creation Settings](#)

Name Chapter 1--Introduction to Purchasing and Supply Chain Management

Description

Instructions

[Modify](#)

[◀ Add Question Here](#)

Question 1 **True/False** **0 points**

[Modify](#) [Remove](#)

Question The development of progressive purchasing approaches and strategies can only help a company maintain its competitive position.

Answer
 True
 False

[◀ Add Question Here](#)

Question 2 **True/False** **0 points**

[Modify](#) [Remove](#)

Question Global sourcing is no longer a requirement and is a luxury for most firms.

Answer
 True
 False

[◀ Add Question Here](#)

Question 3 **True/False** **0 points**

[Modify](#) [Remove](#)

Question Sophisticated customers, both industrial and consumer, no longer talk about price increases; they demand price reductions.

Answer
 True
 False

[◀ Add Question Here](#)

Question 4 **True/False** **0 points**

[Modify](#) [Remove](#)

Question An abundance of competitors and choices have conditioned customers to want higher quality, faster delivery, and products and services tailored to their individual needs albeit at a higher total cost.

Answer
 True
 False

[◀ Add Question Here](#)

Question 5 **True/False** **0 points**

[Modify](#) [Remove](#)

Question The availability of low-cost domestic supplier alternatives has led to the shift away from outsourcing and offshoring.

Answer
 True
 False

[◀ Add Question Here](#)

Question 6 **True/False** **0 points**

[Modify](#) [Remove](#)

Question Competition today is no longer between firms; it is between the supply chains of those firms.

Answer
 True
 False

[◀ Add Question Here](#)

Question 7 **True/False** **0 points**

[Modify](#) [Remove](#)

Question In the manufacturing sector, the percentage of purchases to sales averages 55%.

Answer
 True
 False

[◀ Add Question Here](#)

Question 8 **True/False** **0 points**

[Modify](#) [Remove](#)

Question The traditional approach to purchasing and supply management is to build relations with suppliers to jointly pull costs out of the product or service and expect suppliers to contribute innovate ideas that continually add value to a firm's products and services.

Answer
 True
 False

[◀ Add Question Here](#)

Question 9 **True/False** **0 points**

[Modify](#) [Remove](#)

Question Virtually all of the features that make their way into final products originate with suppliers.

Answer
 True
 False

[◀ Add Question Here](#)

Question 10 **True/False** **0 points**

[Modify](#) [Remove](#)

Question Purchasing and supply management has minimal impact on product and service quality.

Answer
 True
 False

[◀ Add Question Here](#)

- Question 11 **True/False** **0 points** [Modify](#) [Remove](#)
- Question** Supply management is a broader concept than purchasing.
- Answer** True
 False
- [Add Question Here](#)
- Question 12 **True/False** **0 points** [Modify](#) [Remove](#)
- Question** The routine ordering and follow-up of basic operational supplies is a strategic responsibility.
- Answer** True
 False
- [Add Question Here](#)
- Question 13 **True/False** **0 points** [Modify](#) [Remove](#)
- Question** Processes usually move across functional boundaries.
- Answer** True
 False
- [Add Question Here](#)
- Question 14 **True/False** **0 points** [Modify](#) [Remove](#)
- Question** According to Porter, a value chain is a subset of the supply chain.
- Answer** True
 False
- [Add Question Here](#)
- Question 15 **True/False** **0 points** [Modify](#) [Remove](#)
- Question** Purchasing is becoming less responsible for sourcing indirect goods and services required by internal groups.
- Answer** True
 False
- [Add Question Here](#)
- Question 16 **True/False** **0 points** [Modify](#) [Remove](#)
- Question** Distribution management involves the management of packaging, storing, and handling of materials at receiving docks, warehouses, and retail outlets.
- Answer** True
 False
- [Add Question Here](#)
- Question 17 **True/False** **0 points** [Modify](#) [Remove](#)
- Question** In quality control, the emphasis has shifted from detecting defects at the time of receipt or use to prevention early in the materials-sourcing process.
- Answer** True
 False
- [Add Question Here](#)
- Question 18 **True/False** **0 points** [Modify](#) [Remove](#)
- Question** The key to the success of any company is the quality of its employees.
- Answer** True
 False
- [Add Question Here](#)
- Question 19 **True/False** **0 points** [Modify](#) [Remove](#)
- Question** The knowledge and skills demanded of today's supply chain professional has not changed and is the same as before.
- Answer** True
 False
- [Add Question Here](#)
- Question 20 **True/False** **0 points** [Modify](#) [Remove](#)
- Question** Organizational design is much more than a series of lines and boxes across a chart.
- Answer** True
 False
- [Add Question Here](#)
- Question 21 **True/False** **0 points** [Modify](#) [Remove](#)
- Question** There is a definitive and prescriptive set of supply chain measures that results in one best way to measure supply chain performance and applies to all supply chains.
- Answer** True
 False
- [Add Question Here](#)
- Question 22 **True/False** **0 points** [Modify](#) [Remove](#)
- Question** The overall importance of the purchasing function is increasing, particularly for firms that compete in industries characterized by worldwide competition and rapid change.
- Answer** True
 False

[◀ Add Question Here](#)Question 23 **Multiple Choice****0 points**[Modify](#) [Remove](#)**Question** Which of the following is *not* one of the features of the new model of progressive purchasing?

- Answer**
- Developing closer relationships with important suppliers.
 - Performing due diligence on suppliers before awarding longer-term contracts.
 - Focusing primarily on price analysis and short term contracts.
 - Conducting worldwide Internet searches for the best sources of supply.
 - Inviting key suppliers to participate in product and process development.

[◀ Add Question Here](#)Question 24 **Multiple Choice****0 points**[Modify](#) [Remove](#)**Question** Which of the following is *not* one of the factors driving an emphasis on supply chain management?

- Answer** *An increasing emphasis on domestic sourcing* due to the longer lead times and higher levels of pipeline inventories associated with global sourcing.
- The cost and availability of information resources* among entities in the supply chain that allow easy linkages that eliminate time delays in the network.
 - The level of competition in both domestic and international markets* that requires organizations to be fast, agile, and flexible.
 - Customer expectations and requirements* that are becoming more demanding.
 - The ability of an organization's supply chain to react rapidly* by managing risk disruptions in both supply and downstream product or services to mitigate the impact on lost sales.

[◀ Add Question Here](#)Question 25 **Multiple Choice****0 points**[Modify](#) [Remove](#)**Question** ____ is a functional group (i.e., a formal entity on the organizational chart as well as a functional activity (i.e., buying goods and services).

- Answer**
- Engineering
 - Purchasing
 - Quality assurance
 - Logistics
 - Treasury operations

[◀ Add Question Here](#)Question 26 **Multiple Choice****0 points**[Modify](#) [Remove](#)**Question** The ____ is a change index, and generally a rating over 50 indicates that the economy is expanding.

- Answer**
- Consumer Price Index
 - Producer Price Index
 - ISM Report on Business rate of inflation
 - None of these choices.

[◀ Add Question Here](#)Question 27 **Multiple Choice****0 points**[Modify](#) [Remove](#)**Question** According to the *Institute for Supply Management*, ____ is the identification, acquisition, access, positioning, and management of resources and related capabilities an organization needs or potentially needs in the attainment of its strategic objectives.

- Answer**
- supply chain management
 - procurement
 - logistics
 - supply management
 - purchasing

[◀ Add Question Here](#)Question 28 **Multiple Choice****0 points**[Modify](#) [Remove](#)**Question** Instead of adversarial relationships which characterize ____, ____ features a long-term win-win relationship between a buying company and specially selected suppliers.

- Answer** traditional purchasing....supply management
- traditional purchasing....logistics management
 - supply management....traditional purchasing
 - strategic sourcing....supply management
 - supply chain management....strategic sourcing

[◀ Add Question Here](#)Question 29 **Multiple Choice****0 points**[Modify](#) [Remove](#)**Question** A ____ is a set of three or more organizations linked directly by one or more of the upstream or downstream flows of products, services, finances, and information from a source to a customer.

- Answer**
- process
 - cost savings chain
 - value chain
 - social media chain
 - supply chain

[◀ Add Question Here](#)Question 30 **Multiple Choice****0 points**[Modify](#) [Remove](#)**Question** All of the following are typical processes involved in supply chain management *except* ____.

- Answer**
- new product development
 - customer-order fulfillment
 - supplier evaluation and selection
 - demand and supply planning
 - ✓ cash flow management

[◀ Add Question Here](#)

Question 31 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question According to Michael Porter, a firm's ____ is composed of primary and secondary support activities that can lead to competitive advantage when configured properly.

- Answer**
- supply chain
 - process
 - ✓ value chain
 - marketing channel
 - core competency

[◀ Add Question Here](#)

Question 32 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question The ____ states that success is a function of effectively managing a linked group of firms past first-level suppliers or customers.

- Answer**
- supply chain orientation
 - value chain concept
 - traditional purchasing perspective
 - ✓ extended enterprise concept
 - process orientation

[◀ Add Question Here](#)

Question 33 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question ____ are those items provided by suppliers and used directly during production or service delivery.

- Answer**
- ✓ Direct materials
 - Indirect materials
 - Indirect services
 - Internal materials
 - Vendor managed inventories

[◀ Add Question Here](#)

Question 34 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question Which of the following is an example of a purchased direct item for a manufacturing firm?

- Answer**
- ✓ Parts and components.
 - Executive travel.
 - Office and janitorial supplies.
 - Advertising.
 - Personal computers.

[◀ Add Question Here](#)

Question 35 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question Within the downstream portion of a supply chain, ____ are responsible for the actual movement of materials between locations.

- Answer**
- buyers
 - trucking firms
 - ✓ logistics managers
 - accountants
 - purchasing managers

[◀ Add Question Here](#)

Question 36 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question Which of the following is *not* an example of a typical resource shared between a buyer and supplier?

- Answer**
- Dedicated capacity.
 - Specific information.
 - Technological capabilities.
 - Direct financial support.
 - ✓ Exchange of managers.

[◀ Add Question Here](#)

Question 37 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question All of the following are examples of demand planning activities *except* ____.

- Answer**
- forecasts of anticipated demand
 - ✓ accounts payable
 - inventory adjustments
 - orders taken but not filled
 - spare parts and aftermarket requirements

[◀ Add Question Here](#)

Question 38 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question ____ identifies all claims on output; while ____ is the process of taking demand data and developing a supply, production, and logistics network capable of satisfying demand requirements.

- Answer**
- Inventory control....quality control
 - Quality control....supply planning
 - Order processing....material control
 - Demand planning....customer service
 - ✓ Demand planning....supply planning

[◀ Add Question Here](#)

Question 39 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question ____ involves generating the materials release, contacting a supplier directly concerning changes, and monitoring the status of inbound shipments.

- Answer**
- Order processing
 - ✓ Material control
 - Warehousing
 - Customer service
 - Quality control

[◀ Add Question Here](#)

Question 40 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question ____ helps ensure that customers receive material when and where they require it.

- Answer**
- ✓ Order processing
 - Inbound transportation
 - Customer service
 - Scheduling
 - Inventory control

[◀ Add Question Here](#)

Question 41 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question The ____ function involves physically getting a product ready for distribution to the customer.

- Answer**
- customer service
 - material control
 - materials handling
 - quality control
 - ✓ shipping

[◀ Add Question Here](#)

Question 42 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question Which of the following is *not* one of the four enablers of purchasing and supply chain management?

- Answer**
- ✓ Sufficient cash flow and large on-hand cash deposits.
 - Capable human resources.
 - Proper organizational design.
 - Real-time and shared information technology capabilities.
 - Right measures and measurement system.

[◀ Add Question Here](#)

Question 43 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question Research indicates that all of the following are top knowledge areas for purchasers in 2010 *except* ____.

- Answer**
- supplier relationship management
 - total cost analysis
 - supplier analysis
 - ✓ consumer behavior
 - competitive market analysis

[◀ Add Question Here](#)

Question 44 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question ____ refers to the process of assessing and selecting the structure and formal system of communication, division of labor, coordination, control, authority, and responsibility required to achieve organizational goals and objectives, including supply chain objectives.

- Answer**
- Supply chain orientation
 - Human resource management
 - Demand planning
 - ✓ Organizational design
 - Extended value chain

[◀ Add Question Here](#)

Question 45 **Multiple Choice** **0 points**

[Modify](#) [Remove](#)

Question ____ seeks to improve forecast accuracy, optimize production scheduling, reduce working capital costs, shorten cycle times, cut transportation costs, and improve customer service; while ____ helps obtain materials and manage physical flows from suppliers through downstream distribution to ensure that customers receive the right products at the right location, time, and cost.

- Answer**
- RFID....GPS
 - Execution software....planning software
 - Customer service....inbound transportation
 - The process approach....cost management
 - ✓ Planning software....execution software

[◀ Add Question Here](#)

Question 46 **Multiple Choice**

0 points

[Modify](#) | [Remove](#)

Question All of the following are roadblocks between measurement and improved performance except _____.

- Answer**
- information technology
 - too many metrics
 - debate over correct metrics
 - constantly changing metrics
 - old data

[Add Question Here](#)

OK