

Cpim bscm dc
practice exam mod 1
form a essay



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CPIM BSCM DC Practice Exam Mod 1 Form A Name:

_____ Part 1: Business-wide Concepts 1) Many different end items are made from a small number of components. What manufacturing environment would this be? a) Make-to-stock b) Make-to-order c) Assemble-to-order d) Engineer-to-order 2) A company is beginning a project to implement a Six Sigma program. If the company is going to be successful, which of the following is most necessary? a) Six sigma black belt b) CEO support c) Statistics training d) CPIM certified managers 3) In a lean manufacturing environment, which of the following would be considered waste?) Set up b) Queue time c) Operation time making saleable parts d) Process charting 4) The key component to quick changeovers is: a) dramatically reduced set up times. b) availability of materials to run when the changeover is complete. c) expensive machines which changeover automatically. d) Large enough lot sizes so changeovers are not critical. 5) Which of the following would not be included in the cost of quality? a) Inspection time and materials b) Quality control procedures c) Supplier audits d) Material costs 6) Based on the data, (revenue in millions) what is the growth rate for this company from 2002 to 2006? 002 2003 2004 2005 2006 Revenues (\$) 200 250 300 350 400 Margin (\$) 10.0 8.0 9.0 7.0 8.0 a) 40% b) 60% c) 100% d) 200% Page 1 of 20 CPIM BSCM DC Practice Exam Mod 1 Form A 7) Which of the following is a reason to maintain inventory? a)Improve customer service b)Reduce transportation costs c) Increase machine operating time d) Reduce costs Name: _____ 8)

In order to maximize profit, a company must have all of the following objectives except: a) Best customer service b) Most accurate production forecast c) Lowest inventory investment d) Lowest distribution cost 9) TPM,

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Total Productive Maintenance, is used to ensure: a) maximum machine up-time and flexibility. b) emergency repairs are done quickly. c) maintenance technicians are being productive. d) only preventive maintenance is done.

10) In a flow manufacturing environment, product will generally flow consistently and constantly. As a result, there is little time to do inventory transactions to record the movement of parts through the line. To overcome this, many companies record their inventory by using: a) pre-flushing. b) Kanban. c) cycle counts. d) backflushing. 1) The inventory turns ratio measures: a) the amount of inventory needed to support sales growth. b) obsolete inventory as a percent of sales. c) how effectively inventory is being used. d) the amount of space needed to store inventory. 12) In a JIT manufacturing environment, waste can be described as: a) component scrap. b) overtime. c) any process which does not add value. d) any overhead process. 13) A company is planning to add new distribution channels, in new geographic regions, and new products to support this initiative. This information would most likely be found in the company's: a) strategic plan.) financial plan. c) production plan. d) supply chain plan. Page

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_____ 14) A company is operating as a lean manufacturer. Which of the following functions are still, most likely, needed from their ERP system? a) Forecasting and material planning b) Inventory issues to a work order c) Accounting for each part d) Advanced planning and scheduling 15) In a JIT environment, where work cells are being deployed, the cells should always be set up in which of the following?) U shape b) Straight line c) Half square d) Shape that makes sense 16) Over the last decade, companies have implemented ERP systems to enhance their

business processes. A key part of ERP which contributes to the business process improvement is the: a) cross functional integration. b) supplier portal capability. c) enhanced scheduling capability. d) integrated financial process.

17) If a supplier is responsible to provide 100% acceptable quality material to the customer, they are defined as providing: a) outgoing inspections. b) vendor managed inventory. c) quality at the source. d) ISO certified parts. 18)

Which of the following are objectives of inventory? I. Maximize customer service II. Efficient transaction III. Low cost plant operations IV. Minimum inventory investment a) I, II, and III b) I, III, and IV c) I, II, and IV d) II, III, and IV

19) The Just-in-Time philosophy can be best defined as: a) Delivering goods just before they are needed b) Fulfilling customer orders just as they are needed c) Manufacturing without inventory d) Elimination of waste

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Name: _____ 20) Each month end (or other fiscal pattern

depending on the company), a company's financial resource will produce a set of financial statements. The financial statements provide an

understanding of the company's financial status at the end of the given

period. Which of the following is not a monthly financial statement? a)

Statement of cash flow b) Income statement c) Balance sheet d) Statement

of inventory position 21) A company's strategic plan: a) provides the

manufacturing plan for families of end items. b) outlines the sales plan for the

next year. c) is a statement of goals and objectives for a long range period.

d) outlines new products for the next year. 22) Which of the following

manufactured product types are best suited for flow manufacturing? a) Wide

range of disparate products b) Limited range of similar products c) Low

volume of similar products d) High volume of disparate products 23) In a lean manufacturing environment, which of the following ERP modules would be least likely to be used?) Shop Floor Control b) Forecasting c) Product Data Management d) Procurement 24) The practice of giving non-managerial employees responsibility and decision making authority in their daily work is best defined as employee: a) productivity. b) empowerment. c) involvement. d) management. 25) A supervisor's primary role in a total employee involvement company is: a) controlling. b) cheerleading. c) coaching. d) quality control. Page 4 of 20 CPIM BSCM DC Practice Exam Mod 1 Form A Name: _____ 26) In order to forecast cash flow in a make-to-order company, which of the following must be converted into dollars?) Carrying cost of finished goods b) Critical work center costs c) Standard yield percentages d) Final assembly schedule 27) A company makes all decisions regarding forecasting and orders centrally for its distribution network. This company is using which of the following systems? a) Pull system b) Push system c) Just-in-Time d) Time phased order point 28) A company which can adapt swiftly to changes in the volume and mix of their products is: a) good at sales and operation planning. b) forecasting accurately. c) process flexible. d) six sigma certified. 9) Which of the following would be included in the cost of carrying inventory? I. Heating and lighting a warehouse II. Obsolete inventory III. Labor to move material IV. Damaged inventory a) I, II, and III b) II, III, and IV c) I, III, and IV d) I, II, III, and IV 30) A consumer products company is producing beauty products in bottles. The packaging line runs at a rate of 100 bottles per minute. Which of the following would best describe this type of manufacturing environment? a) Discrete b) Process c) Repetitive d) Flow 31) An income statement of a

company will show which of the following?) Inventory levels b) Long term debt c) Cost of products sold d) Net cash available Page 5 of 20 CPIM BSCM DC Practice Exam Mod 1 Form A Name: _____ 32) There is often conflict between the sales department and the operations departments when trying to develop a unified business plan. Integrated ERP software has, in many cases, improved the process by including, as a module: a) Customer Relationship Management b) Advanced Planning and Scheduling c) Production Planning d) Sales and Operations Planning 33) Which of the following best describes the term Total Quality Management? a) A systematic method for ensuring total quality compliance b) A method of ensuring incoming quality meets expectations c) A structured system for satisfying internal and external customers and suppliers d) A method of ensuring quality control tests are taken properly 34) The best person to conduct quality tests is the: a) lab technician. b) quality control person. c) quality assurance. d) equipment operator. 35) Generally speaking, purchasing can have the greatest impact on the net income of a company than any other department.

This is due to the fact that: a) manufacturing relies on purchasing to identify quality suppliers. b) buyers work very hard at sourcing. c) suppliers want to reduce their prices to good customers. d) materials usually represent the largest cost in a company. 36) Why is feedback necessary in a control system? a) Available capacity is accurate. b) Bills of materials will be current. c) Routing files will be accurate. d) Feedback allows planning to always remain current. Part 2: Demand Planning 37) In make to stock requirements, customer orders are satisfied from: a) available capacity.) work in process

inventory. c) finished goods inventory. d) raw material inventory. Page 6 of

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information, what is the mean? Period 1 2 3 4 a) b) c) d) 500 600 700 800

Name: _____ Demand 1000 500 700 600 39) A tracking

signal is used to: a) monitor the quality of the forecast. b) determine the

variation in the production plan. c) measure whether the schedule is being

met. d) measure the material plan. 40) The purpose of a strategic business

plan is to: a) plan production by product family.) plan for business changes

which take a long time. c) establish customer requirements over the long

term. d) establish order promising strategies. 41) Each distribution center

places orders from central supply as they are needed. This is called: a) pull

system. b) push system. c) Just-in-Time delivery. d) supply chain

management. 42) Which of the following would NOT be considered a source

of demand? a) Customer orders b) Interplant orders between facilities c)

Forecasts d) Goods due in from a supplier Page 7 of 20

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_____ 43) Based on the following data, what would the

projected forecast for month 5 be, using a 3 month moving average? Month

1 2 3 4 Forecast 200 200 200 200 Actual Demand 190 210 190 170 a) 170 b)

180 c) 190 d) 200 44) A forecast analyst has just extracted the recent actual

sales history and, in reviewing the data, notices several outliers. The analyst

should most likely: a) rerun the data to ensure there were no errors in the

extraction. b) rerun the data but remove the outliers.) ignore the outliers

and use the forecasts as is. d) refer to the tracking signal. 45) Many

companies will call themselves market driven. This would indicate that they:

a) develop strong advertising campaigns. b) established a strong brand image in the market. c) respond to the customers needs. d) conduct market research.

46) Which of the following best describes a normal distribution? a) Most values clustered near a central point b) Warehouses centrally located to markets c) Values accumulated at six sigma d) A critical ratio of 1.

47) Which of the following does a tracking signal identify in a forecast? a) Mean absolute deviation b) Standard deviation c) Bias d) Aggregate summarization

48) If actual demand is consistently greater than forecasted demand, the tracking signal would be: a) greater than zero. b) less than zero. c) equal to one. d) equal to zero.

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49) Over the past three months, the demand for a product has been 240, 260, and 280. Calculate the three month moving average forecast for month four.) 240 b) 260 c) 280 d) 300

50) The attributes of the product or service that cause a customer to buy from a company are called the: a) order winners. b) order qualifiers. c) buyers criteria. d) order modifiers.

51) A forecast which is exhibiting a trend will have which of the following patterns? a) A steady increase or decrease b) A consistent fluctuating pattern based on the time of year c) An inconsistent fluctuation in demand d) A wavelike fluctuation over several years

52) The portion of a company's inventory and planned production which is not already committed is: a) inventory allocation..) Inventory commitment. c) available to promise. d) multi-plant planning.

53) Independent demand can be defined by all of the following except: a) Demand not related to demand from higher level assemblies b) Forecasted demand c) Demand calculated based on present demand d) Demand from customer orders

54) A collaborative forecast is best described as: a) one where the seasonal

demand is dampened by the trend. b) a forecast where the tracking signal is equal to one.) a forecast where the customer and the supplying firm have reached a consensus about the forecast. d) a forecast which has a MAD of 2.

06 or less. Page 9 of 20 CPIM BSCM DC Practice Exam Mod 1 Form A Name:

_____ Transformation of Demand into Supply 55) Based

on the following data, what should the monthly production be to level

production? Beginning inventory = 500 units Ending inventory = 200 units

Sales forecast Month 1 2 3 4 5 Forecast 400 300 400 400 300 a) b) c) d) 250

300 350 400 6) The Bill of Materials is used quite frequently in

manufacturing. All of the following are uses of the BOM except: a) Product

costing b) Planning c) Calculating capacity d) Engineering change control 57)

Which of the following best describes an exception message? a) A message

to the planner that a problem needs attention b) A message that the MRP

system is done running c) A message that the system is in balance d) A

message to order within lead time 58) Based on the following data, what

should the monthly production be to achieve level production?

Beginning inventory = 300 units Ending inventory = 400 units Sales forecast:

Month 1 2 3 4 5 Forecast 300 400 200 300 200 a) 200 b) 250 c) 300 d) 350

59) If the critical ratio is less than 1, an order is: a) ahead of schedule. b) on

schedule. c) behind schedule. d) already late. Page 10 of 20 CPIM BSCM DC

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the following are objectives when establishing the MPS? I. Efficient use of

resources II. Efficient final assembly III. High customer service levels IV.

Efficient use of inventory a) I, II, and III b) I, II, and IV c) I, II, III, and IV d) I, III,

and IV 61) Which of the following best describes the term load? a) Total

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hours in which product can be manufactured b) Sum of all the required capacities c) Sum of capacity multiplied by the efficiency and utilization d) Total hours a workcenter can be used 62) The “ frozen” zone within the time fence is usually: a) before the final assembly schedule. b) closest to the due date. c) furthest from the due date. d) in the middle of the zones. 63) In the context of capacity, which of the following best describes the term unit of output?) A unit of measure common to all products b) An individual part number or SKU c) A bale of scrap generated by the factory d) An individual’s output efficiency 64) The total volume of production passing through a facility is defined as: a) total output. b) finished goods production. c) load. d) throughput. 65) Which of the following are strategies to use in developing a production plan? I. Chase strategy II. Delphi strategy III. Level strategy IV. Backlog strategy a) I and II b) I and III c) II and IV d) III and IV Page 11 of 20

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_____ 6) Production plans have all of the following except: a) Shipment plan b) Product families c) Inventory plan d) Weekly production 67) In a certain manufacturing environment, routings are fixed, and work centers are arranged in the order of the routings. The production at each work center takes a similar amount of time. This would describe: a) project manufacturing. b) intermittent manufacturing. c) flow manufacturing. d) specialty manufacturing. 68) The material requirements system receives direct input from: a) production planning. b) capacity requirements planning. c) master production scheduling.) purchasing. 69) Final assembly scheduling usually occurs when: a) a customer order is received. b) planning a build schedule. c) the MPS is established. d) capacity is constrained. 70) Net requirements are: a) Scheduled receipts - available inventory - forecast b)

Forecasts - scheduled receipts - customer orders c) Forecasts - customer orders and scheduled receipts d) Gross requirements - scheduled receipts - available inventory 71) The function of maintaining a process within a given range of capability is called: a) process quality management. b) total process assurance. c) process control. d) customer satisfaction. 72) The MPS is used to facilitate communication between which two groups? a) Manufacturing and Logistics b) Sales and Marketing c) Manufacturing and Finance d) Sales and Manufacturing Page 12 of 20 CPIM BSCM DC Practice Exam Mod 1 Form A Name: _____ 73) A work center includes four machines working 16 hours per day, five days per week. What is the weekly available time? a) 80 hours b) 160 hours c) 320 hours d) Not enough information to determine 74) A work center has 4 machines operating 6 days for 8 hours per day.

What is the available time? a) 24 hours b) 32 hours c) 48 hours d) 192 hours

75) A pegging report is used to: a) trace the origin of demand for a component. b) trace the capacity requirement for a part. c) identify the quantity per for a particular parent. d) establish the demand for a part. 76) The primary advantage of the concurrent engineering process is that: a) inventory needs are reduced. b) engineers work with other departments on projects improving communication. c) project costs for the development are accurately accounted for. d) product development time is reduced. 77) Which of the following equals manufacturing lead time? a) Queue, setup, run, wait, and move times b) Setup, run, wait, and move times c) Queue, run, wait, and move times d) Queue, setup, run and move times 78) Which of the following best defines throughput? a) The number of bottlenecks slowing production b)

The total capacity which a factory can produce c) The speed of a work center to produce d) The total volume of production passing through a facility Page

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_____ 9) A closed loop MRP system can be best defined as: a) action taken by a planner to approve planned orders. b) re-planning of capacity to accommodate restraints. c) integrated planning and control system with feedback from the bottom-up. d) integrated systems which include financial software, finite capacity, and logistics. 80) A company will use operation splitting in order to: a) utilize a skilled workforce. b) utilize machines. c) reduce manufacturing lead time. d) reduce setup times. Part 4:

Supply 81) The primary benefit of point of use inventory is: a) reduced material handling.) lower safety stock. c) better cycle count results. d) improved quality. 82) In a traditional MRP system, the production planner releases a requisition to purchasing who would create a purchase order from that release. In recent years, the concept of a buyer/planner has become common. The main reason for this change is a (an): a) changing schedule can be easily achieved by the supplier. b) improved communication with supplier personnel. c) smoother flow of information and materials between the supplier and the factory. d) reduction in headcount. 3) Sometimes a periodic review system is the most effective method to manage inventory. For which of the following conditions would this method be used? I. Raw materials required in production II. Small issues from inventory and transactions are expensive III. Order costs are small IV. Many items are ordered together a) I, II, and III b) I, III, and IV c) II, III, and IV d) I, II, and IV

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_____ 84) A market boundary can be defined as the: a)

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geographic boundary of a region.) line where the laid down cost is the same from two supply sources. c) line where shipments in one distribution center equals another. d) mileage boundary where shipment costs exceed the margin to be gained.

85) Given the following annual costs, calculate the cost of creating one order. Purchasing department salaries = \$200, 000

Operating expenses = \$50, 000 Number of people in department = 5

Number of orders per year = 5000 a) \$25 b) \$50 c) \$75 d) \$100

86) The decision of when to order raw materials is the responsibility of: a)

manufacturing planning.) purchasing. c) engineering. d) sales.

87) All of the following are basic grouping methods to store and locate stock in a

warehouse except: a) Items related functionally b) Items in sequential SKU

number c) Items which are physically similar d) Items which are fast moving

88) Trucks, as a mode of transportation, are best suited for: a) moving small

quantities to widely dispersed markets. b) moving large quantities to widely

dispersed markets. c) moving small quantities to narrowly dispersed

markets. d) moving large quantities to narrowly dispersed markets.

9) According to the EOQ formula, if the ordering costs for an item are greatly

reduced, what is the likely impact on the quantity ordered? a) Order

multiples will increase b) Order quantities will increase c) Order multiples will

decrease d) Order quantities will decrease

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90) Before a supplier's invoice can be paid, which of the following data must match? I.

Quantity must match the purchase order II. Price must match the purchase

order III.

Quantity must match the receipt a) I and II b) I and III c) II and III d) I, II, AND

III 91) A three way match ensures which of the following documents agree?

a) Purchase order, bill of lading and packing list b) Pick list, receiving

document and bill of lading c) Purchase order, receiving document, and

invoice d) Packing list, receiving document and invoice 92) A blanket order in

purchasing can be best described as a(n): a) order covering a variety of

suppliers. b) group of operations. c) long term commitment to a supplier.)

supplies order. 93) What is the primary consideration used in selecting a new

supplier? a) Cleanliness of their facility b) Proximity to your factory c)

Manufacturing capability and reliability d) ISO certification 94) Which of the

following best describes cycle counting? a) A process to reduce cycle time b)

Set up reduction to shorten the production cycle c) Counting inventory on a

pre-determined schedule d) Conducting a time study at a work center 95) A

company is negotiating with a possible supplier to purchase 5, 000 motors.

The company estimates that the supplier's variable costs are \$4 and the

fixed costs are \$10, 000. The supplier has quoted a price of \$8 per unit. What

is the supplier's average cost per unit? a) \$2 b) \$4 c) \$6 d) \$8 Page 16 of

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_____ 96) All of the following would be reasons for

anticipation inventory except: a) Inventory built ahead of the peak season b)

A potential strike c) Vacation shutdown d) Price breaks 97) Which of the

following are the basic responsibilities of a planner? I.

Release orders to manufacturing and purchasing II. Reschedule dates of

existing orders as needed III. Solve material shortages by replanning IV.

Oversee the cycle counting program a) I, II, and III b) I, III, and IV c) II, III, and

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IV d) I, II, III, and IV 98) What is the major disadvantage of a fixed location warehouse? a) Put away time is increased b) Cube utilization is poor c) Dock time is increased d) Material handling costs rise 99) Sometimes a common unit of measure is not available for use in measuring output. In these cases, what measure would be used?) Machine speed b) Number of assemblies c) Standard time d) cceptable quality parts 100) a) b) c) d) 101) a) b) c) d) The difference in the price paid and the standard cost is: purchase price variance. invoice difference. planning price variance. standard cost variance. The main benefit of contract buying from a supplier is that: purchase orders can be released automatically. suppliers will be more responsive and flexible to customer needs. suppliers will know what they will be producing. pricing is known for the life of the contract. A Page 17 of 20

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_____ 102) a) b) c) d) 103) a) b) c) d) A functional specification tells purchasing: when to buy. how much to buy. where to buy. what to buy. The EOQ formula for a manufactured part would try to balance which of the following? The setup cost and the inventory carrying cost The ordering cost and the setup cost The setup cost and the item landed cost The setup cost and the cost of the annual demand 104) In many cases, companies will form a relationship with their supplier whereby the two organizations will act as one.

This relationship is called a: a) supplier assurance. b) supplier collaboration. c) supplier integration. d) supplier partnership. 105) a) b) c) d) Which of the following best describes the reason for safety stock? Lowers the setup costs per item Lower purchase cost Decouple supply and demand Maximize

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customer service by protecting against uncertainty 106) The processes that are linked from the initial raw materials to the final consumption of the finished product is called the: a) supplier measurement. b) value chain. c) supplier schedule. d) supply chain. 07) a) b) c) d) 108) a) b) c) d) All of the following conditions will trigger an exception message except: Changes in timing of a scheduled receipt Changes in the inventory on hand balance due to cycle count adjustment Changes in the forecast Changes in the assigned planner All of the following are part of physical supply/distribution except: Supplier inventory Material handling Order entry Finished goods inventory

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_____ 109) a) b) c) d) 110) a) b) c) d) 111) Which of the following would be considered part of the physical distribution system?

Moving materials between work centers Receiving goods from suppliers Planning the transfer of goods to outside contractors Forecasting inventory levels to support manufacturing The balance to cube utilization is: pallet positions. accessibility. put away speed. material handling costs. Based on the following information, what is the order point? Lead time = 3 weeks Demand/week = 200 Safety stock = 100 200 300 600 700 Made-to-order products are usually made to specification. The prices for these items: are based on grouping like items together. are based on the catalogue. are set by a marketplace. an generally be negotiated. In most companies, material purchases represent what percentage of the cost of the product? 30% 50% 70% 90% Purchase requisitions are generally an output from: master production schedule. capacity planning. production activity control. material requirements planning. The point where the revenue line intersects with the

total cost line is called the: fixed cost line. variable cost line. break-even point. Page 19 of 20 a) b) c) d) 112) a) b) c) d) 113) a) b) c) d) 114) a) b) c) d) 115) a) b) c) CPIM BSCM DC Practice Exam Mod 1 Form A d) 116) a) b) c) d) 117)

Name: _____ economic order quantity. If an annual contract is in place with a supplier, the weekly amount to be ordered is done via: purchase order. release. blanket order. terms statement. Which of the following are causes of inventory record inaccuracy? I. Withdrawal of inventory without authorization II. Transaction errors in recording inventory issues III. Poor training of personnel IV. Secured stockroom I, II, and III II, III, and IV I, III, and IV I, II, III, and IV Which of the following are required factors in selecting a supplier?

I. Technical capability II. Manufacturing capability III. Advanced systems capability IV. Reliability I, II, and III I, II, and IV II, III, and IV I, II, III, and IV Which of the following would be considered a function of physical distribution? Material handling Routings Kanban size Pull signal A supplier has placed goods at a customer location without receiving payment for them. This is called: backflush inventory. consigned inventory. vendor managed inventory. point of use inventory. a) b) c) d) 118) a) b) c) d) 119) a) b) c) d) 120) a) b) c) d) Page 20 of 20