

**CIPS Level 5 – Advanced Diploma in
Procurement and Supply
Module 9 – Operations Management**

SAMPLE EXAM QUESTIONS

OBJECTIVE RESPONSE QUESTIONS AND ANSWERS

The correct answer will be identified as [key]

Q1. Which of the following would be the most useful for an organisation with the goal of becoming market leader in operations management within the next five years?

- a. Benchmarking
- b. Re-engineering
- c. Staff recruitment
- d. Stakeholder mapping

LO: 2

AC: 2.1

Q2. The focus of operations management varies depending on the sector and the goals of the organisation overall. Its primary aims will also be influenced by the motives of shareholders and other stakeholders. Operations management for a major manufacturer is primarily focused on reconciling which of the following?

- a. Building new warehouses to hold increased volumes of inventories
- b. Creating sufficient volume of products to meet demand from customers
- c. Ensuring budgets are fully aligned between finance and audit
- d. Identifying alternative funding methods to minimise borrowing costs

LO: 1

AC: 1.4

Q3. Agricultural Equipment Manufacturing (AEM) has manufacturing sites and distribution centres in all continents. The organisation is growing rapidly internationally through acquisition. It has a new CPO who has been given responsibility by the board to develop a new operations strategy for the next ten years. Which of the following should be the start point for the CPO in this task?

- a. Establish a rationalisation programme for AEM's operations
- b. Conduct a detailed training needs analysis for AEM's operations staff

c. Review AEM's corporate strategy and objectives

- d. Undertake detailed evaluation of all AEM major supply chains

LO: 1

AC: 1.2

Q4. The Taguchi loss function relates to which of the following?

1. Specification
2. Statistical controls
3. Customer satisfaction
4. Benchmarking

a. 1 and 2 only

b. 1 and 3 only

c. 2 and 3 only

d. 3 and 4 only

LO: 2

AC: 2.4

Q5. Effective business continuity planning includes consideration of which of the following as a priority?

1. Determining the resourcing requirements
2. Identifying staff training needs
3. Researching areas of improvement
4. Quantifying recovery times

a. 1 and 2 only

b. 3 and 4 only

c. 1 and 4 only

d. 2 and 3 only

LO: 2

AC: 2.2

Q6. An operations manager is trying to encourage staff to focus on adopting a 'right first time' approach. They have introduced increased quality control procedures. Will this achieve zero defects?

- a. No, the approach will not prevent defects arising
- b. No, right first time is not a quality-driven initiative
- c. Yes, defects will be completely eradicated
- d. Yes, quality control and zero defects are directly linked

LO: 2

AC: 2.4

Q7. Performance measures in operations management can include consumer satisfaction. Is this true?

- a. Yes, consumers will dictate how operations management is delivered
- b. No, these measures will only be internally focused
- c. No, operations management does not impact on consumers
- d. Yes, operations management can impact on deliveries to consumers

LO: 2

AC: 2.1

Q8. Performance objectives of operations management should be primarily focused on which of the following areas? Select **THREE** that apply.

- a. Quality
- b. Speed
- c. Transferability
- d. Collaboration
- e. Competition
- f. Flexibility

LO: 1

AC: 1.2

Q9. The board of Active Sports Products Group (ASPG) is concerned because of a deteriorating market share and falling customer satisfaction scores. Its marketing director and CPO have been tasked by the board to conduct a review and develop a plan together to improve the situation as quickly as possible, before the task becomes too great. They have formed a small project team which initially is focusing on factors which directly contribute to the retaining or gaining of customers. These factors are known to be regarded by customers as key reasons for buying ASPG's products. The project team will also focus on factors which are perceived by customers to be relevant but as long as an adequate level is maintained by ASPG there would be no impact on customer satisfaction. These factors can be summarised as:

1. Demand driven factors
2. Order winning factors
3. Qualifying factors
4. Market share factors

- a. 1 and 4 only
- b. 1 and 2 only
- c. 2 and 3 only
- d. 3 and 4 only

LO: 1

AC: 1.2

Q10. There are different organisational approaches to operations management. Here are four different businesses. For each there is a description of its perspective in terms of strategy and also its main operations process driver.

Organisation 1 – Its operations strategy perspective is based on what the business wants operations to do. The focus is on how much of a specific product is required to satisfy consumer demand.

Organisation 2 – Its operations strategy perspective is based on what operations resources can actually do. The focus relates to diversity of the range of products to be manufactured and sold to consumer.

Organisation 3 – Its operations strategy perspective is based on what the market position requires operations to do. The focus is on how much the level of demand is likely to change over time due to external factors and seasonality.

Organisation 4 – Its operations strategy perspective is based on what practical experience suggests operations should do. The focus is on how much of the operations process the consumer actually experiences.

You are required to match the process driver and operations strategy perspective to each organisation, based on the descriptions provided.

Choose from these options and drag and drop your answers into the table below. [8]

You can only use each option once.

| Process driver | Operations strategy perspective |
|----------------|----------------------------------|
| Variation | Bottom up perspective |
| Variety | Market requirements perspective |
| Visibility | Operations resources perspective |
| Volume | Top-down perspective |

| Organisation | Process driver | Operations strategy perspective |
|--------------|----------------|---------------------------------|
| 1 | | |
| 2 | | |
| 3 | | |
| 4 | | |

[KEY]

| Organisation | Process driver | Operations strategy perspective |
|--------------|----------------|----------------------------------|
| 1 | Volume | Top-down perspective |
| 2 | Variety | Operations resources perspective |
| 3 | Variation | Market requirements perspective |
| 4 | Visibility | Bottom-up perspective |

LO: 1

AC: 1.2 and 1.3