

CIPS

L3M1 Exam

Procurement and Supply Environments

Questions & Answers
Demo

Version: 4.0

Question: 1

The Equality Act in the UK was introduced in which year?

- A. 2019
- B. 2001
- C. 2010
- D. 2011

Answer: C

Explanation:

The Act was introduced in 2010. Although this is a UK-centric QUESTION NO ;, it is valid for several rea-sons. Firstly, the UK was one of the first countries to introduce such a wide-ranging Act; secondly the Act is so wide-ranging that all UK managers need to be familiar with it. People who live and work outside the UK may wish to familiarise themselves with the content of the Act to have an idea of what the impact of such legislation might be like.

Interestingly, in the UK, the Act has seldom been used 'in anger'.

Question: 2

Sources of finance for a public sector entity are primarily (select one):

- A. Sales revenues
- B. Taxpayers
- C. Long-term bank loans
- D. Delaying payments to suppliers

Answer: B

Explanation:

The correct answer is 'taxpayers'. On occasion, part of a public sector organisation may make sales which will generate revenue. In some mega-projects (eg power generation), public sector bodies will sometimes into long-term arrangements with private sector financiers, but this is not the mainstream. Delaying payments to suppliers is a tactic used by some organisations, but they are more likely to be private sector, and such a practice is regarded as unethical by many, including CIPS.

Question: 3

Which of the following would be / should be subject to health and safety legislation?

- A. All of them
- B. Smoking cigarettes inside offices, factories and other buildings
- C. The manual lifting of heavy objects
- D. Floors, passages and stairs should be properly constructed, maintained and kept clear
- E. The need for appropriate firefighting equipment in a factory

Answer: A

Explanation:

All of these.

Question: 4

The letters 'NFP' mean...

- A. Newly focused (on) profit
- B. Not for procurement
- C. Non-funded purchase
- D. Not-for-profit

Answer: D

Explanation:

The answer is 'not-for-profit', meaning 'third sector' (charities, co-operatives, NGOs, etc). This is not the same as 'public sector'. You should be clear on this terminology.

Question: 5

On a diagram of the Product Life Cycle, the x-axis shows:

- A. Growth
- B. Time
- C. Decline
- D. Profit

Answer: B

Explanation:

The x-axis shows time. For some products, it may represent a year; for others, a century. The other answers given could all be shown on the y-axis of the PLC, depending on circumstances.

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