



LEVEL 4 MCQS 27 MAY 2020

Below is a selection of multiple choice questions, one each from modules L4M2 to L4M4. You should attempt to answer them before looking at our own solutions. The references in our solutions are to the relevant chapter of the Profex Study Pack for the module concerned.

Q1 L4M2 Learning Outcome 1.1

The need to protect the source of supply is particularly important for:

- A strategic and bottleneck items
- B strategic and non-critical items
- C bottleneck and leverage items
- D leverage and strategic items.

Q2 L4M3 Learning Outcome 1.1

Which of the following should be included in a request for quotation? Select TWO items that apply.

- A Latest date for reply
- B Purpose of the purchase
- C Key performance indicators
- D Criteria for awarding the contract
- E Unique reference number

Q3 L4M4 Learning Outcome 1.1

Which one of the following is a characteristic of outsourcing?

- A Buying services that the organisation is not capable of sourcing in-house
- B Long-term and continuing nature of the arrangement
- C Acquiring in-house competencies
- D Buying raw materials from foreign suppliers



A1 L4M2 Learning Outcome 1.1

Answer A

This of course is a reference to the Kraljic matrix. Strategic and bottleneck items are both categories of purchased items where there is a limited/restricted supply. A business case for agreeing a contract for any of these items is likely to include the need to secure continuing supply, especially of strategic items.

The format of this question is the simplest possible: you are given four possible answers and you are required to choose just one which you believe to be correct.

Reference Chapter 1 Section 5.2

A2 L4M3 Learning Outcome 1.1

Answer A and E

A latest date for reply is needed to avoid unnecessary delays in the procurement process. A unique reference number is to enable the buyer to link the bid easily to a particular procurement contract. The purpose of the purchase and contract award criteria should be included in ITTs, but are not needed for RFQs.

The format of this question is slightly more complicated: you are given five possible answers and you are required to choose two which you believe to be correct.

Other formats that we are aware have been used in exams include: choosing three answers from six; and choosing an unspecified number of correct answers from a large number of choices (for example, you might be given eight options and asked to select all those you believe to be correct, without being told how many there are).

We would be very interested to hear from you if you have attempted any exams so far and have come across other formats than those listed above. Feel free to communicate either through the blog, or direct to publishing@profex.co.uk.

Reference Chapter 1 Section 2.3



A3 L4M4 Learning Outcome 1.1

Answer B

An outsourcing agreement is a long-term arrangement, and not a temporary or short-term contract. An activity might be outsourced when it is difficult to acquire the skills in house (such as IT services), but not impossible. Acquiring in-house competencies is exactly the opposite of outsourcing. Buying materials from foreign suppliers is known as 'global supply'.

Reference Chapter 1 Sections 1.1–1.2