

**LOGISTIC SUPPLY AND CHAIN MANAGEMENT  
MULTIPLE CHOICE QUESTIONS:**

1....., production control and physical distribution are the three major operations of logistics.

- a. Supply chain Management
- b. Materials Management
- c. Logistics Management
- d. Personal Management

**Answer: b. Materials Management**

1. Which of the following is not an area to responsibilities for a logistics manager?
- a. Inventory
  - b. Marketing
  - c. Warehousing
  - d. Purchasing

**Answer: b. Marketing**

2. DRP stands for
- a. distribution requirement planning
  - b. dividend requirement planning
  - c. distribution resource planning
  - d. distribution reverse planning

**Answer: a. distribution requirement planning**

3. Which of the following is not a component of 4 PL?
- a. control room
  - b. resource providers
  - c. information
  - d. recycling

**Answer: b. Resource Providers**

4. ....includes design and administration of systems to control the flow of materials, WIP and finished inventory to support business unit strategy.
- a. Logistics Management
  - b. Materials Management
  - c. Bill of Materials
  - d. Distribution Management

**Answer: a. Logistics Management**

5. ....is the time that elapses between issuing replenishment order and receiving the material in stores.
- a. Replenishment time
  - b. Lead time
  - c. Idle time
  - d. Replacement Time

**Answer: b. Lead Time**

6. In Railway transportation the ownership in with.....
- a. Manufacturer
  - b. Third Party
  - c. Buyer
  - d. Government

**Answer: d. Government**

7. ....is a part of development of facility structures.
- a. Transportation
  - b. Warehousing
  - c. Sorting
  - d. Logistics

**Answer: b. Warehousing**

8. The first thing that the consumer will notice about the product is the ..... Of the product.
- a. Price
  - b. Packaging
  - c. Expiry date
  - d. Bar code

**Answer: b. Packaging**

9. .... concept is similar to the concept of unitization and has the similar objective of space reduction
- a. Logistical Packaging
  - b. Cube Minimization
  - c. Building block
  - d. Palletizing

**Answer: b. Cube minimization**

10. The objective of performance measure is to achieve a .....
- a. Benchmark
  - b. Perfect distribution
  - c. Perfect order
  - d. Goal

**Answer: c. Perfect order.**

11. RO-RO concept means:.....

- a. Roll on – Ride Off
- b. Ride on- Ride off
- c. Roll Off- Roll on
- d. Roll on- Roll off

**Answer: d. Roll on- Roll off**

12. The sequence of a typical manufacturing supply chain is

- a. Storage–Supplier–manufacturing–storage–distributor–retailer–customer
- b. Supplier–Storage–manufacturing–storage–distributor–retailer–customer
- c. Supplier–Storage–manufacturing– distributor–storage–retailer–customer
- d. Supplier–Storage–manufacturing–storage– retailer–distributor–customer

**Answer: b. Supplier–Storage–manufacturing–storage–distributor–retailer–customer**

13. The purpose of supply chain management is

- a. provide customer satisfaction
- b. improve quality of a product
- c. integrating supply and demand management
- d. increase production

**Answer: c. integrating supply and demand management**

14. ....refers to supply chain practices that strive to reduce energy and environmental footprints in terms of freight distribution.

- a. Inbound Logistics
- b. Green Logistics
- c. Outbound Logistics
- d. SCM

**Answer: b. Green Logistics**

15. ....involves streamlining the distribution process in terms of physical and information efficiency.

- a. Technical Integration
- b. Channel Integration
- c. Channel Hierarchy
- d. Vertical Marketing System

**Answer: b. Channel Integration**

16. ....is the task of buying goods of right quality, in the right quantities, at the right time and at the right price.

- a. Supplying
- b. Scrutinizing
- c. Selling
- d. Purchasing

**Answer: d. Purchasing**

17. ....is the provision of service to customers before, during and after a purchase.
- a. Customer Service
  - b. Product Management
  - c. Purchase management
  - d. Logistics Management

**Answer: a. Customer Service**

18. ....is a function of re-arranging and re- packing as per individual orders.
- a. Break- Bulk
  - b. Warehousing
  - c. Cross Docking
  - d. Sorting

**Answer: c. Cross Docking**

19. Break-Bulk warehouse performs .....function.
- a. Warehousing
  - b. Collecting
  - c. Sorting
  - d. Supply

**Answer: c. Sorting**

20. The term .....refers to any idle resources that can be put to some future use.
- a. Inventory
  - b. Warehousing
  - c. Logistics
  - d. Procurement

**Answer: a. Inventory**

21. ....is related with a single manufacturing location, not multiple manufacturing centres.
- a. Safety Stock
  - b. EOQ
  - c. ROL
  - d. Decoupling

**Answer: d. Decoupling**

22. Properly designed .....helps in reducing total logistical cost.
- a. Logistics
  - b. Warehouse
  - c. Distribution
  - d. Logistical network

**Answer: d. Logistical Network**

23. ....is a kind of distribution strategy.

- a. RORO
- b. LASH
- c. Milk Run
- d. LNA

**Answer: c. Milk Run**

24. VMI stands for
- a. Vendor material inventory
  - b. Vendor managed inventory
  - c. Variable material inventory
  - d. Valuable material inventory

**Ans: b. Vendor managed inventory**

25. The major decision areas in supply chain management are
- a. location, production, distribution, inventory
  - b. planning, production, distribution, inventory
  - c. location, production, scheduling, inventory
  - d. location, production, distribution, marketing

**Ans: a. location, production, distribution, inventory**

26. ....is concerned with a firm's ability to satisfy customer's requirement in timely manner.
- a. Minimum Inventory
  - b. Price stabilization
  - c. Quality
  - d. Rapid Responses

**Answer: d. Rapid Responses**

27. The purpose of .....is to arrive at a realistic projection of demand patters across different market and for different product lines.
- a. Demand forecasting
  - b. Speculation
  - c. Logistics
  - d. Supply chain management

**Ans: a. Demand forecasting**

28. Buying according to the requirements is called .....
- a. Seasonal Buying
  - b. Scheduled Buying
  - c. Tender Buying
  - d. Hand to mouth buying

**Answer: d. Hand to mouth buying**

29. Following is not type of Piggy-Back.....
- a. LASH

- b. TTFC
- c. COFC
- d. TOFC

**Answer: a. LASH**

30. Special purpose material handling equipment are used in .....
- a. Line layout
  - b. Process layout
  - c. In-land layout
  - d. Warehousing

**Answer: a. Line layout**

31. The .....system should be designed after analysing the needs for the organization.
- a. Warehousing
  - b. Logistics
  - c. Material handling
  - d. Distribution

**Answer: c. Material Handling**

32. EOQ is that order quantity which result in .....total inventory cost.
- a. Maximum
  - b. Minimum
  - c. Carrying
  - d. Average

**Answer: b. Minimum**

33. Re-order level depends upon two factors, lead time and .....
- a. Inventory
  - b. Warehouse
  - c. Procurement
  - d. Safety stock

**Answer: .d. Safety Stock**

34. ....is the invisible element in the system which is the facilitator of other function.
- a. Information
  - b. Logistics
  - c. EDI
  - d. ADC

**Answer: a. Information.**

35. ....is developed to identify marketing and financial objectives of the firm.
- a. LIS
  - b. Strategy
  - c. Plan
  - d. Information System

**Answer: b. Strategy**

- 36.....is most suitable for remote and hilly areas.
- a. Road transport
  - b. Railway transport
  - c. Water transport
  - d. Pipeline

**Answer: a. Road transport**

- 37.....is the fastest mode of transport.
- a. Road transport
  - b. Railway transport
  - c. Water transport
  - d. Air Transport

**Answer: d. Air transport**

38. When air transport is used in combination with road or rail transport, it is called.....
- a. Piggy Back
  - b. Fishy back
  - c. Birdy back
  - d. Land bridge

**Answer: c. Birdy back**

- 39.....means using land transport i.e. rail or road transport to connect two separate water transport.
- a. Piggy Back
  - b. Fishy back
  - c. LASH
  - d. Land bridge

**Answer: d. Land bridge**

- 40.....are used for vertical movement of materials, generally from one floor to another.
- a. Conveyor belts
  - b. Cranes
  - c. Elevators
  - d. Towlines

**Answer: c. Elevators**

- 41.....can move carton loads or pallet loads horizontally or vertically.
- a. Conveyor belts
  - b. Cranes
  - c. Elevators
  - d. Forklift trucks

**Answer: d. Forklift trucks**

42. Customer service create time and ..... utility for the customer.

- a. distribution
- b. supply
- c. place
- d. sales

**Answer: c. Place**

43. .... represent the frequency of satisfying customer order in given span of time.

- a. order cycle time
- b. fill rate
- c. perfect order
- d. system flexibility

**Answer: b. Fil Rate**

44. Intermediaries play an important role in matching.....

- a. product to tegion
- b. demand & supply
- c. information & promotion
- d. dealer with customer

**Answer: b. Demand & Supply**

45. ....analysis, parameters for classification of inventory is unit price of material.

- a. ABC Analysis
- b. EOQ
- c. HML Analysis
- d. GOLF

**Answer: c. HML Analysis**

46. In .....analysis, classification parameter is nature of source of supply.

- a. ABC
- b. EOQ
- c. HML
- d. GOLF

**Answer: d. GOLF**

47. Market logistics planning has \_\_\_\_\_ steps.

- a. Three
- b. Four
- c. Two
- d. Five

**Answer: a. Three**

48. Which of the following is not included in logistics process.

- a. Implementing the plan for flow of goods & services.
- b. planning the physical flow of goods & services



- c. Controlling the physical flow of goods services & information.
- d. gathering customer ideas for new product

**Answer: d. gathering customer ideas for new product**

49. 3-PL stands for

- a. Three points logistics
- b. Third party logistics
- c. Three points location
- d. The Party Logistics

**Answer: b. Third Party Logistics**

50. Which of the following is not a part of supply chain management system?

- a. Supplier
- b. Manufacturer
- c. Information Flow
- d. Competitor

**Answer: d. Competitor**

51. The .....component is long range general movement in periodic sales over sufficient long period of time.

- a. Demand
- b. Sales
- c. Price
- d. Trend

**Answer: d. Trend**

52. The ..... Forecasting approach is a decentralized approach.

- a. Demand
- b. Trend
- c. Supply
- d. Bottom up

**Answer: d. Bottom Up**

53. ....is the process of planning implementation and control of transportation services to achieve organization goals.

- a. Logistics Management
- b. Transportation Management
- c. Supply Chain Management
- d. Distribution Management

**Answer: b. Transportation Management**

54. Transportation serves as a ..... During the movement of product.

- a. In-transit storage
- b. Warehouse
- c. Product storage

d. Movement

Answer: a. In-transit storage

55. The..... type of material handling system is the simplest and cheapest form of material handling system.

- a. Manual system
- b. Mechanized system
- c. Semi-automated system
- d. Automated system

**Answer: a. Manual System**

56. Conveyor belt facilitate continuous movement of material over a ..... Route.

- a. Fixed
- b. Flexible
- c. Rotational
- d. Safe

**Answer: a. Fixed**

57. A.....is a set of customer service goals which are to be achieved within a specific combination or mix of products and customer segment.

- a. Mission
- b. Objective
- c. Vision
- d. Target

**Answer: a. Mission**

58. ABC focuses on.....activities.

- a. Important
- b. Individual
- c. Logistics
- d. Procurement

**Answer: b. Individual**

59. ....is the method of sorting, transporting and distributing products in unitized or standardized form in a container.

- a. Cold chain logistics
- b. ICD
- c. Containerization
- d. DFC

**Answer: c. Containerization**

60. ....occurs when a company retains another business to perform some of its work activities.

- a. Outsourcing
- b. KPO
- c. 3PL
- d. 4PL

**Answer: a. Outsourcing**

61.....is the most economical mode of transportation.

- a. Road transport
- b. Railway transport
- c. Water transport
- d. Air transport

**Answer: c. Water transport**

62.....is the most suitable for transportation of fluids.

- a. Road transport
- b. Railway transport
- c. Water transport
- d. Pipeline

**Answer: d. Pipeline**

63.....cost is one-time costs.

- a. Fixed
- b. Variable
- c. Joint
- d. Common

**Answer: a. Fixed**

64.....cost is directly proportional to the volume of activity.

- a. Fixed
- b. Variable
- c. Joint
- d. Common

**Answer: b. Variable**

65.....comprises of raw materials, components, and fuels, etc. which are required to facilitate manufacturing operations.

- a. Raw material inventory
- b. Work in process inventory
- c. Finished goods inventory
- d. Average inventory

**Answer: a. Raw material inventory**

66..... is not the type of inventory based on inventory position in the supply chain.

- a. Supplier
- b. Manufacturer

- c. Retailer
- d. Customer

**Answer: d. Customer**

67. The objective of outbound supply chain is to make the product available to the.....
- a. Customer
  - b. Retailor
  - c. Whole seller
  - d. Supplier

**Answer: a. Customer**

68. Supply chain management has its own origin in operation of ..... Enterprise.
- a. Business
  - b. Trading
  - c. Non profit
  - d. Social

**Answer: a. Business**

69. DRP stands for
- a. distribution requirement planning
  - b. dividend requirement planning
  - c. distribution resource planning
  - d. distribution reverse planning

**Answer: a. distribution requirement planning**

70. Which one of the following is not the qualitative technique of forecasting?
- a. Jury of executive opinion
  - b. Delphi method
  - c. Market research method
  - d. Casual method

**Answer: d. Casual Method**

71. In.....analysis, the parameters of classification is whether seasonal or non-seasonal materials.
- a. SOS
  - b. SDE
  - c. ABC
  - d. HML

**Answer: a. SOS**

- 72.....is related with checking whether the goals and objectives formulated earlier have been achieved or not.
- a. Benchmarking
  - b. ABC Analysis
  - c. Goal achievement

d. Resource development

**Answer: c. Goal achievement**

73. \_\_\_\_\_ are meant to store products for moderate to long period of time.

- a. Storage warehouses
- b. Distribution warehouses
- c. Automated warehouses
- d. Private warehouse

**Answer: a. Storage warehouse**

74. The goal of logistics is

- a. to achieve a target level of customer service at lowest possible cost
- b. to achieve targeted level of customer service.
- c. increase in the market share.

d. All of the above.

ANSWER: D

75. In the product life cycle, the emphasis in marketing mix during growth stage is

- a. Distribution.
- b. Promotion.
- c. Price.
- d. Cost reduction.

ANSWER: A

76. In the product life cycle, the emphasis in marketing mix during maturity stage is

- a. Distribution.
- b. Promotion.
- c. Price.
- d. Cost reduction.

ANSWER: C

77. In the product life cycle, the emphasis in marketing mix during decline stage is

- a. Distribution.
- b. Promotion.
- c. Price.
- d. Cost reduction.

ANSWER: D

78. The concept of logistics has been systematically divided into

- a. 2 phases.
- b. 3 phases.
- c. 4 phases.
- d. 5 phases.

ANSWER: A

79. Michael Porter explained the concept of

- a. Motivation.
- b. Cost advantage.
- c. Competitive advantage.
- d. Quest for quality.

ANSWER: C

80. EDI stands for

- a. Electronic Data Interface.
- b. Electronic Data Interchange.
- c. Electronic Distribution Intermediary.
- d. Electronic Documentation

Interchange. ANSWER: B

81. EOQ stands for

- a. Electronic Ordered Quantity
- b. Economic Order Quantity
- c. Economic Order Quality
- d. Electronic Obtained

quantity ANSWER: B

82. Packaging performs two functions, and logistics.

- a. Distribution.
- b. Store keeping.
- c. Material handling.
- d. Marketing.

ANSWER: D

83. Form utility is created by

- a. Operation function.
- b. Logistics function.
- c. Procurement function.
- d. Distribution function.

ANSWER: A

84. Place utility is created by

- a. Operation function.
- b. Logistics function.
- c. Procurement function.
- d. Distribution function.

ANSWER: B

85. Time utility is created by

- a. Operation function.
- b. Logistics function.
- c. Procurement function.
- d. Distribution function.

ANSWER: D

86. MRP stands for

- a. Material requirement planning.
- b. Manpower recruitment process.
- c. Machine repair plan.

d. Mechanical re-engineering

process. ANSWER: A

87. MPS stands for

- a. Manpower placement structure.
- b. Master production schedule.
- c. Manpower placement schedule.

d. Material processing

schedule. ANSWER: B

88. Master planning in the planning hierarchy

- a. determines the direction of business.
- b. creates the capacity.
- c. involves the functional planning.

d. provides specification for

manufacturing. ANSWER: A

89. Master scheduling is the process that

- a. determines the direction of business.
- b. creates the capacity.
- c. involves the functional planning.

d. provides specification for

manufacturing. ANSWER: B

90. Customer order processing level is that

- a. determines the direction of  
business.
- b. creates the capacity.
- c. involves the functional planning.

d. provides specification for

manufacturing. ANSWER: D

91. Master planning deals with

- a. customer interface.
- b. marketing interface.
- c. supplier interface.

d. manufacturing

interface. ANSWER: C

92. The service mission of logistics

- a. reflect the vision of top management.
- b. deal with basic services required for delivering of goods.
- c. refers to the value-added services offered.

d. reflects the ability of firm to exploit

market. ANSWER: D

93. Firm infrastructure is \_\_\_\_\_ in the generic value chain of logistics

- a. a support activity.
- b. a primary activity.
- c. not an activity.

d. the only activity.

ANSWER: A

94. Inbound and outbound logistics \_\_\_\_\_ in the generic value chain of logistics.  
is

- a. a support activity.
- b. a primary activity.
- c. not an activity.

d. the only activity.

ANSWER: B

95. HRM is \_\_\_\_\_ in the generic value chain of logistics.

- a. a support activity.
- b. a primary activity.
- c. not an activity.

d. the only activity.

ANSWER: C

96. Marketing and sales is \_\_\_\_\_ in the generic value chain of logistics.

- a. a support activity.
- b. a primary activity.
- c. not an activity.

d. the only activity.

ANSWER: B

97. Competitive advantage can be created and achieved by logistics managers by

- a. cost advantage.
- b. Quality.
- c. value advantage.

d. cost and value

advantage. ANSWER: D

98. Real time communication of information regarding requirements and availability of logistics service is the core of

- a. right response.
- b. right quality.
- c. right quantity.

d. right value.

ANSWER: A

99. The maintenance of a minimum possible level of inventory required for a desired level of customer service is the objective of

- a. right response.
- b. right quality.
- c. right quantity.

d. right value.



ANSWER: C

100. The logistical objective that ensures a proper balance between total logistics cost and a desired level of customer service performance is

- a. right response.
- b. right quality.
- c. right cost trade off.
- d. right information.

ANSWER: C

101. Just in time is a practice followed in

- a. Japan.
- b. America.
- c. Britain.
- d. China.

ANSWER: A

102. The term which covers the operation of shifting the cargo to or from the vessel is

- a. Rigging.
- b. Slinging.
- c. Carnage.
- d. Forced discharge.

ANSWER: B

103. The term used for loading or unloading of heavy cargo is

- a. Rigging.
- b. Carnage.
- c. Slinging.
- d. Forced discharge.

ANSWER: B

104. The term used for carriage of goods when points of origin and destination are both within the sovereignty of UK is

- a. ULD.
- b. Classification rate.
- c. Valuation charge.
- d. Cabotage.

ANSWER: D

105. The delivery of a damaged product has

- a. An increase in its value.
- b. A decrease in its value.
- c. No change in its value.
- d. Better demand.

ANSWER: B

106. The flow of work in process is

- a. From a supplier to producer.
- b. From the last production price to ultimate user  
Between the various production sub-system.

c. Between the various distribution channels.

ANSWER: C

107. The flow of information that facilitates co-ordination activities is

- a. Forward information flow.
- b. Backward information flow.
- c. Upward information flow.

d. Downward information flow.

ANSWER: B

108. Unreliability of vendors leads to

- a. Production uncertainty.
- b. Process uncertainty.
- c. Demand uncertainty.

d. Supply uncertainty.

ANSWER: D

109. The internal process leads to

- a. Production uncertainty.
- b. Process uncertainty.
- c. Demand uncertainty.

d. Supply uncertainty.

ANSWER: B

110. The uncertainty that could be reduced through forecasting techniques is

- a. Production uncertainty.
- b. Process uncertainty.
- c. Demand uncertainty.

d. Supply uncertainty.

ANSWER: C

111. The number of stages that the goods and services flow through

- a. Add to the complexity of SCM.
- b. Relaxes the complexity of SCM.
- c. Brings no change in complexity of SCM.

d. Ensures better quality. ANSWER: A

112. The business activity of farming out identified non-core activities to external agencies is

- a. Logistics.
- b. SCM.
- c. Outsourcing.

d. Distribution.

ANSWER: C

113. The warehousing function that combines the logistical flow of several small shipments to a specific market area is

- a. Break bulk function.
- b. Operational function.
- c. Stockpiling function.
- d. Consolidation function.

ANSWER: D

114. Cash on delivery method is normally used for

- a. Bulk cargo with immediate market.
- b. Slow moving items.
- c. Small but valuable items sent by post.
- d. Exports to countries with balance of payments

problems. ANSWER: C

115. An appropriate strategy to achieve timely, accurate, paperless information flow is:

- a. integrate this activity into all supply chain planning.
- b. efficient store assortments.
- c. revision of organization processes supported by information systems.
- d. efficient

replacement. ANSWER: C

116. An appropriate strategy to maximize efficiency of promotions is:

- a. revision of organization processes supported by information systems.
- b. efficient store assortments..
- c. integrate this activity into all supply chain planning.
- d. efficient

replacement. ANSWER: C

117. An appropriate strategy to optimize for time and cost in the ordering process is:

- a. efficient store assortments.
- b. revision of organization processes supported by information systems.
- c. integrate this activity into all supply chain planning.
- d. efficient

replacement. ANSWER: D

118. An appropriate strategy to optimize the productivity of retail space and inventory is:

- a. efficient store assortments.
- b. revision of organization processes supported by information systems.
- c. integrate this activity into all supply chain planning.
- d. efficient

replacement. ANSWER: A

119. The upstream supply chain is:

- a. exclusively inside an organization.
- b. involved with procurement of material from suppliers.
- c. the distribution of products or delivery of services to customers.
- d. both the first and third answer

above. ANSWER: B

120. The downstream supply chain is:

- a. exclusively inside an organization.  
involved with procurement of material from suppliers.
- b. the distribution of products or delivery of services to customers.
- c. both the first and third answer above.

ANSWER: C

121. The correct sequence of an organization's supply chain from a systems perspective is:

- a. transformation process, delivery to customers, acquisition of resources.
- b. transformation process, acquisition of resources, delivery to customers.
- c. acquisition of resources, transformation process, delivery to customers.
- d. delivery to customers, acquisition of resources, transformation

process. ANSWER: C

122. \_\_\_\_\_ offers the opportunity to buy direct from the supplier with reduced costs and shorter cycle.

- a. Reintermediation
- b. Countermediation
- c. Contramediation
- d. Disintermediation

ANSWER: D

123. IS can be used to reduce cycle time by:

- a. increased efficiency of individual processes.
- b. improved data integration between elements of the supply chain.
- c. reduced cost through outsourcing.
- d. reduced complexity of the supply chain.
- e. ANSWER: A

124. The typical aim of the push approach to supply chain management is:

- a. to reduce costs of distribution.
- b. to enhance product and service quality.
- c. to reduce costs of new product development.
- d. both the first and third answer above.

ANSWER: D

125. One choice for an organization's vertical integration strategy related to 'The direction of any expansion'. What does this mean?

- a. How far should the company take downstream or upstream vertical integration?
- b. Should the company aim to direct ownership at the upstream or downstream supply chain?
- c. To what extent does each stage of the supply chain focus on supporting the immediate supply chain?
- d. How to enhance product and service quality. ANSWER: B

126. A supply chain is a sequence of firms that perform activities required:

- a. to find products that are similar
- b. to facilitate wholesalers inventory selections
- c. to create synergy in their training programs

d. to create and deliver goods to consumers

e. ANSWER: D

127.A supply chain is essentially a sequence of linked:

- a. customer and prospects
- b. supplier and manufacturer
- c. suppliers and customers

d. warehousing and wholesaling units ANSWER: C

128.In the automotive industry, the person who is responsible for translating customer requirements into actual orders and arranges delivery dates is the car maker:

- a. supply manager
- b. purchasing manager
- c. supply chain manager

d. production manager ANSWER: C

129.It is estimated that the logistics costs of a new car are about: A. 10-20%

B. 25-30%

C. 20-25%

D. 30-40%

ANSWER: B

130.An appropriate strategy to achieve timely, accurate, paperless information flow is:

- a. revision of organisation processes supported by information systems
- b. integrate this activity is integrated into all supply chain planning
- c. efficient replacement

d. efficient store assortments ANSWER: A

131.An appropriate strategy to maximise efficiency of promotions is:

- a. revision of organisation processes supported by information systems
- b. integrate this activity is integrated into all supply chain planning
- c. efficient replacement

d. efficient store assortments ANSWER: B

132.An appropriate strategy to optimise for time and cost in the ordering process is:

- a. efficient store assortments
- b. revision of organisation processes supported by information systems
- c. efficient replacement

d. integrate this activity is integrated into all supply chain

planning ANSWER: C

133. An appropriate strategy to optimise the productivity of retail space and inventory is:

- a. integrate this activity is integrated into all supply chain planning
- b. efficient store assortments
- c. revision of organisation processes supported by information systems

d. efficient

replacement ANSWER: B

134. The upstream supply chain is:

- a. exclusively inside an organisation
- b. the distribution of products or delivery of services to customers
- c. involved with procurement of material from suppliers
- d. both the first and third answer above
- e. ANSWER: C

135. The downstream supply chain is:

- a. exclusively inside an organisation
- b. involved with procurement of material from suppliers
- c. the distribution of products or delivery of services to customers
- d. both the first and third answer above
- e. ANSWER: C

136. One of the important role of distribution in SCM towards base cost reduction is

- a. Transportation
- b. Warehousing/inventory
- c. Information
- d. all the above

ANSWER: D

137. \_\_\_\_\_ offers the opportunity to buy direct from the supplier with reduced costs and shorter cycle

- a. Reintermediation
- b. Countermediation
- c. Disintermediation
- d. Contramediation
- e. ANSWER: C

138. IS can be used to reduce cycle time by:

- a. improved data integration between elements of the supply chain
- b. increased efficiency of individual processes
- c. reduced cost through outsourcing
- d. reduced complexity of the supply chain

ANSWER: B

139. The typical aim of the push approach to supply chain management is:

- a. to reduce costs of distribution
- b. to enhance product and service quality

- c. to reduce costs of new product development
- d. both the first and third answer above
- e. ANSWER: D

140. \_\_\_\_\_ analysis relates to what processes, activities, and decisions actually create costs in your supply chain.

- a. Cost driver
- b. Value proposition
- c. Cost reduction
- d. Target costing

ANSWER: A

141. MRO stands for

- a. Management Resource Outstanding
- b. Maintenance Repair Operative
- c. Marketing Reverse Order
- d. Maintenance Record

ANSWER: B

142. \_\_\_\_\_ has made it possible for other companies to eliminate intermediaries and sell directly to the end consumer.

- a. SCM
- b. Internet
- c. competition
- d. global sourcing

ANSWER: B

143. \_\_\_\_\_ Value stream mapping is an application of process mapping, developed to apply \_\_\_\_\_ principles to process improvement.

- a. Management
- b. Lean
- c. Supply chain
- d. Cycle time

ANSWER: B

144. \_\_\_\_\_ A supply chain is made up of a series of processes that involve an input, a \_\_\_\_\_, and an output.

- a. Shipment
- b. Supplier
- c. customer
- d. Transformation

ANSWER: D

145. \_\_\_\_\_ is a tool to chart how individual processes are currently being conducted and to help lay out new improved processes.

- a. Process mapping
- b. Pareto charting
- c. Supply chain design
- d. Design chain mapping

ANSWER: A

146. from the following list a major strategic risk associated with outsourcing.

- a. Outsourcing landed cost is usually higher than in sourcing cost.
- b. The supplier is purchased by a competitor.
- c. The business loses sight of market trends.
- d. The cost of supplied material is passed on to the customer.
- e. ANSWER: B

147. \_\_\_\_\_ is the design of seamless value-added processes across organization boundaries to meet the real needs of the end customer.

- a. Operations
- b. Supply chain management
- c. Process engineering
- d. Value charting
- e. ANSWER: B

148. The impact of cost reduction on profits is much larger than the impact of increased

- a. innovation.
- b. production
- c. information.
- d. sales
- e. ANSWER: D

149. \_\_\_\_\_ considers how your organization competes and is an essential element of corporate strategy.

- a. Value proposition analysis
- b. Leadership
- c. A consultant
- d. A competitor
- e. ANSWER: A

150. Demand Forecasting is

- a. an imperfect science
- b. accompanied with forecast error
- c. identifying the future demand
- d. all the above

ANSWER: D

151. The collective learning in the organization, especially how to coordinate diverse production skills and integrate multiple streams of technologies, is called

- a. innovative constraint.
- b. second-tier competency.
- c. corporate skill.
- d. core



competency.

ANSWER: D

152. Integration of business economics and strategic planning has given rise to a new area of study called\_.

- a. Micro Economics
- b. Corporate Economics
- c. Macro Economics
- d. Managerial Economics

ANSWER: B

153. Factors affecting network design decisions

- a) strategic factor
- b) micro economic factor
- c) competitive factor
- d) all the above
- e) ANSWER:D

154. When suppliers, distributors, and customers partner with each other to improve the performance of the entire system, they are participating in a \_\_\_\_\_.

- f) channel of distribution
- g) value delivery network
- h) supply chain
- i) supply and demand chain

a. ANSWER: B

155. A company's channel decisions directly affect every \_\_\_\_\_.

- j) customer's choices
- k) employee in the channel
- l) channel member
- m) marketing decision

ANSWER: D

156. From the economic system's point of view, the role of marketing intermediaries is to transform the assortment of products made by producers into the assortment of products wanted by \_\_\_\_\_ channel members.

- a. manufacturers
- b. marketers
- c. distributors
- d. consumer

ANSWER: D

157. Intermediaries play an important role in matching \_\_\_\_\_.

- a. dealer with customer
- b. manufacturer to product

- c. information and promotion
  - d. supply and demand
- ANSWER: D

158. Marketing logistics involves getting the right product to the right customer in the right place at the right time. Which one of the following is not included in this process?

- a. implementing the plan for the flow of goods and services
  - b. planning the physical flow of goods and services
  - c. gathering customer's ideas for new products
  - d. controlling the physical flow of goods, services, and information
- ANSWER: C

159. Which of the following is not an area of responsibility for a logistics manager?

- a. inventory
- b. marketing
- c. warehousing
- d. purchasing

ANSWER: B

160.

From the economic system's point of view, the role of marketing intermediaries is to transform the assortment of products made by producers into the assortment of products wanted by \_\_\_\_\_ channel members.

- a. manufacturers
- b. marketers
- c. distributors
- d. consumers

ANSWER: C

161.

To reduce inventory management costs, many companies use a system called \_\_\_\_\_, which involves carrying only small inventories of parts or merchandise, often only enough for a few days of operation.

- a. reduction
- b. inventory management
- c. supply chain management
- d. economic order quantity

ANSWER: B

162.

Companies manage their supply chains through \_\_\_\_\_.

- a. information
- b. transportation modes
- c. competitors
- d. skilled operators

ANSWER:

D

163.

Julie Newmar recognizes that her company needs to provide better customer service and trim distribution costs through

team work, both inside the company and among all the marketing channel organizations. Julie will begin the practice of\_\_\_\_\_.

- a. intermediation
  - b. customer relationship management
  - c. integrated logistics management
  - d. horizontal marketing system management
- ANSWER: C

164. Today, a growing number of firms now outsource some or all of their logistics to\_\_\_\_\_.  
intermediaries

- a. competitors
- b. third - party logistics providers
- c. channel member
- d. cross - functional teams

ANSWER: D

165. According to Professor Mentzer and colleagues, the supply chain concept originated in what discipline?

- a. marketing
- b. operations
- c. logistics
- d. production

ANSWER: B

166. The supply chain management philosophy emerged in which decade? A. 1960s

- B. 1970s
- C. 1980s
- D. 1990s

ANSWER: B

167. \_\_\_\_\_ encompasses all activities associated with the flow and transformation of goods from the raw material stage, through to the end user, as well as the associated information flows.

- a. production line
- b. supply chain
- c. marketing channel
- d. warehouse

ANSWER: B

168. Which of the following are not key attributes of supply chain management?

- a. inventory control
- b. leveraging technology
- c. customer power
- d. a long - term orientation

ANSWER: C

169. Positive, long - term relationships between supply chain participants refer to:

- a. co - operation

- b. tailored logistics
  - c. partnerships
  - d. supply chain management
- ANSWER: D

170. Cross docking is the major SC technique used by

- a. Flipkart
- b. Wall mart
- c. Dell
- d. Zara

ANSWER: B

171. The variability in demand orders among supply chain participants:

- a. cannot be controlled
- b. refers to the bullwhip effect
- c. can be controlled with electronic order placement
- d. is more pronounced in relational exchanges

ANSWER: B

172. Cooperative supply chain relationships developed to enhance the overall business performance of both parties is a definition of:

- a. third - party logistics
- b. supply chain collaboration
- c. dovetailing
- d. relationship marketing

ANSWER: B

173. What is a perfect order?

- a. simultaneous achievement of relevant customer metrics
- b. an order that arrives on time
- c. an order that arrives undamaged
- d. an order that is easy for the receiver to fill

ANSWER: A

174. The method of payment where the exporter relies on the undertaking of a bank to pay is

- a. Bank guarantee.
- b. Letter of credit.
- c. Letter of comfort.
- d. None of the above.

ANSWER: D

175. The beneficiary under a letter of credit is

- a. The bank opening the credit.
- b. The customer of the opening bank.
- c. The confirming bank.
- d. The exporter.

ANSWER: D

176. When a letter of credit does not indicate whether it is revocable or irrevocable, it is treated as

- a. Revocable.
- b. Irrevocable.
- c. Revocable or irrevocable in the option of the beneficiary.
- d. Revocable or irrevocable in the option of the negotiating bank.

ANSWER: B

177. Under an acceptance letter of credit, the responsibility of the issuing bank is

- a. Only to accept the bill.
- b. To pay against the bill.
- c. To accept the bill immediately and also to pay the amount of the bill on its due date.
- d. To get the acceptance of the importer on the bill.

ANSWER: C

178. The warehousing function that combines the logistical flow of several small shipments to a specific market area is

- a. Break bulk function.
- b. Operational function.
- c. Stockpiling function.
- d. Consolidation function.

ANSWER: D

179. The warehouses located near the port is

- a. Field warehouse.
- b. Buffer storage warehouse.
- c. Bonded warehouse.
- d. Export and import warehouse.

ANSWER: D

180. The kind of warehouse that is licensed and authorized by the customs for storing goods till import duty is

- a. Field warehouse.
- b. Buffer storage warehouse.
- c. Bonded warehouse.
- d. Export and import warehouse.

ANSWER: C

181. The business activity of farming out identified non-core activities to external agencies is

- a. Logistics.
- b. SCM.
- c. Outsourcing.
- d. Distribution.

ANSWER: C

182. Which of the following statements is true?

- a. Supply chain is a subset of logistics.
- b. Logistics is a subset of supply chain.
- c. Transportation and logistics are same.
- d. Logistics and supply chain are same.

ANSWER: B

183. If a customer visiting a departmental store cannot find his desired soap manufactured by Hindustan Unilever Ltd (HUL) in the store, which of the following chain partner will he hold responsible for the non-availability of the soap?

- a. The logistics service provider
- b. The distributor
- c. The departmental store
- d. Hindustan Unilever Ltd

ANSWER: C

184. A Supply chain process is viewed as

- a. Birds eye view
- b. Technical view
- c. strategic view
- d. cyclic and push/pull view

ANSWER: D

185. Supply chain is concerned with the

- a. flow of raw materials, WIP and finished products in the forward direction
- b. flow of information in both the directions
- c. flow of materials in the forward direction, cash in the reverse direction and information in both the directions
- d. flow of materials in the forward direction and that of cash in the reverse direction

ANSWER: C

186. The objective of a supply chain is:

- a. to improve the efficiency across the whole supply chain
- b. to improve responsiveness across the whole supply chain
- c. to deliver improved value to the customers
- d. to improve the efficiency and responsiveness across the whole supply chain and also deliver improved value to the customers

ANSWER: D

187. Which of the following statements is true?

- a. Ford supply chain is both highly efficient as well as highly responsive.
- b. Dell supply chain propagated the concept of long-term relationship with the suppliers.
- c. Toyota supply chain believed in medium-term relationship with the suppliers with loosely held supplier network.
- d. Dell supply chain is both highly efficient as well as highly responsive.

ANSWER: B

188. which type of demand forecast is related to environmental factors

- a. Qualitative forecast
- b. Time forecast
- c. Casual forecast
- d. Simulation forecast

ANSWER: C

189. Which of the following statements is true regarding outsourcing?

- a. Higher level of outsourcing enables a firm to have better control on all outsourced

activities.

- b. Higher level of outsourcing makes a firm more vulnerable to outside influences.
- c. Higher level of outsourcing enables a firm to outsource core activities to other competent players.
- d. Higher level of outsourcing enables a firm to outsource non-core activities to other competent players.

ANSWER: A

190. If the focus of a retailer is to achieve leadership in cost, then which of the following phenomenon will hold good?

- a. Customers will like to have convenience and the retailers will also set up a number of stores at different locations in order to provide convenience to the customers.
- b. Customers will prefer a large variety of products and the retailer will also keep a large variety in the store in order to satisfy customer needs.
- c. Customers will prefer a large variety of products but the retailer will not keep a large variety in the store in order to achieve economies of scale.
- d. Customers will prefer short lead time for their products and the retailer will keep higher amount of inventory in order to satisfy customer needs in time.

ANSWER: C

191. The companies will realize the benefits of implementing IT when which of the following is undertaken?

- a. Companies need to invest heavily in information systems.
- b. Companies need to automate the existing supply chain systems and processes.
- c. Companies need to re-engineer their supply chain structure.
- d. Companies need to re-engineer their supply chain structure and undertake revision in the supporting organizational processes.

ANSWER: D

192. Ford supply chain is characterized by

- a. Increased product variety
- b. Loosely-held supplier networks
- c. Vertical integration
- d. Long-term relationship with the suppliers

ANSWER: C

193. Dell supply chain is characterized by

- a. Lean production systems
- b. Zero product variety
- c. Vertical integration
- d. Individual customization

ANSWER: D

194. Which of the following statements is true?

- a. A 3PL company is a professional logistics service provider meeting the logistics requirements of an organization and can also integrate its resources, capability, and technology in order to provide comprehensive solution to its customers.
- b. A 4PL company is a professional logistics service provider meeting the logistics requirements of an organization and can also integrate its resources, capability, and technology in order to provide comprehensive solution to its customers.

c. A 3PL is a logistics service provider meeting only the logistics requirements of an organization while 4PL is a logistics service provider meeting the logistics requirements of an organization and can also integrate its resources, capability and technology to provide comprehensive solution to its customers.

d. A 4PL company is a professional logistics service provider meeting only the logistic requirements of an organization.

ANSWER: C

195. Which one of the following is not the supply challenge being faced by the Indian organizations?

- a. Poor infrastructure
- b. IT implementation
- c. Complex taxation structure
- d. Smaller pack sizes

ANSWER: B

196. Many organisations hold safety stocks as part of their inventory. Which of the following is a reason for holding safety stocks?

- a. To improve stock holding levels
- b. To improve stock accuracy levels
- c. To cater for demand forecast errors
- d. To cater for a large storage capacity.

ANSWER: C

197. Which of the following stock valuation methods is based on a cost estimate made before the part is purchased?

- a. Standard costing
- b. FIFO
- c. Average costing
- d. LIFO.

ANSWER: A

198. The receipt used for warehouse is

- a. Inventory receipt
- b. Dock receipt
- c. EDI receipt
- d. Goods receipt

ANSWER:

B

199. Warehouses and stockyards are two types of storage facilities. Which of the following is the most appropriate factor to consider in the design of a stockyard?

- a. Structure
- b. Services
- c. Surface
- d. Shelving.

ANSWER: C

200. Managing predictable variability is

- a. managing the seasonal demand



- b. managing the change in demand that can be forecasted
  - c. forecasted error ratio
  - d. managing stock out
- situation ANSWER: B

201. Which of the following statements is true?

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- c. Dell supply chain propagated the concept of long-term relationship with the suppliers.
- d. Toyota supply chain believed in medium-term relationship with the suppliers with loosely held supplier network.

ANSWER: C

202. Role of distribution in supply chain management

- a. providing localised services
- b. Collecting product reviews from customers which could be used by manufacturers
- c. Reduces inventory holding cost
- d. All the above

ANSWER: D

203. Which of the following types of container is used to carry oversized cargo?

- a. Bulk
- b. Flat rack
- c. Reefer
- d. Tank.

ANSWER: B

204. Which of the following is the name given to a bill of lading where goods have been received by a carrier free of defects?

- a. Shipped bill of lading
- b. Claused bill of lading
- c. Ordinary bill of lading
- d. Clean bill of lading.

ANSWER: D

205. TQM means

- a. Total quality management
- b. Transport quality manageemnt
- c. Terminal quay management
- d. Total quantity

managment ANSWER: A

206. The objective of limited integrated business function stage is

- a. Cost cost.
  - b. Maximisation of profit by sales volume.
  - c. Core competency.
  - d. Maximisation of profitable sales volume and cost reduction.
- ANSWER: A

207. The objective of internally integrated business function stage is
- a. Cost.
  - b. Maximisation of profit by sales volume.
  - c. Core competency.
  - d. Maximisation of profitable sales volume and cost reduction.

ANSWER: D

208. The objective of externally integrated business function stage is
- a. Cost.
  - b. Maximisation of profit by sales volume.
  - c. Core competency.
  - d. Maximisation of profitable sales volume and cost reduction.

ANSWER: C

209. KAIZEN means
- a. Complete improvement
  - b. Collaborative planning and improvement
  - c. Continous improvement
  - d. Continous monitoring

ANSWER: C

210. Packaging performs two functions. \_\_\_\_\_ and logistics.
- a. Distribution.
  - b. Store keeping.
  - c. Material handling.
  - d. Marketing.

ANSWER: D

211. Form utility is created by
- a. Operation function.
  - b. Logistics function.
  - c. Procurement function.
  - d. Distribution function.

ANSWER: A

212. Place utility is created by
- a. Operation function.
  - b. Logistics function.
  - c. Procurement function.
  - d. Distribution function.

ANSWER: B

213. Time utility is created by
- a. Operation function.
  - b. Logistics function.
  - c. Procurement function.
  - d. Distribution function.

ANSWER: D

214. The strategic component of logistical mission

- a. reflect the vision of top management.
- b. deal with basic services required for delivering of goods.
- c. refers to the value-added services offered.
- d. reflects the ability of firm to exploit market.

ANSWER: A

215. The logistical component of logistics mission

- a. reflect the vision of top management.
- b. deal with basic services required for delivering of goods.
- c. refers to the value-added services offered.
- d. reflects the ability of firm to exploit market.

ANSWER: B

216. World classic Supply chain Companies

- a. TOYOTA
- b. APPLE
- c. WALMART
- d. All the above

ANSWER: D

217. Firm infrastructure is \_\_\_\_\_ in the generic value chain of logistics

- a. a support activity.
- b. a primary activity.
- c. not an activity.
- d. the only activity.

ANSWER: A

218. Inbound and outbound logistics \_\_\_\_\_ in the generic value chain of logistics.  
is

- a. a support activity.
- b. a primary activity.
- c. not an activity.
- d. the only activity.

ANSWER: B

219. The logistics strategic analysis

- a. reflects the capability of the management to think beyond the current way.
- b. reflects the extent of use of logistical component for competitive advantage.
- c. ensures effective implementation of logistics strategy.
- d. deals with managing change.

ANSWER: B

220. The department in the shipping company that ensures the seaworthiness of the ship is

- a. husbandry department.
- b. finance department.
- c. technical department.
- d. operating department.

ANSWER: A

221. The department that aims to maximize the economic employment of the ship is

- a. husbandry department.
- b. finance department.
- c. technical department.
- d. operating department

ANSWER: D

