MICRO EXERCISE

The Five Rights of Procurement and Supply

CIPS Level 2 Module 1 (L2M1): Introducing Procurement and Supply

30 multiple-choice questions | right quantity · right quality · right time · right place · right price

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Instructions: Choose the one best answer for each question. Answers, with a brief reason for each, are given at the end of the paper.

Q1. Which list shows the five rights of procurement and supply?

- **A.** Quantity, quality, colour, brand and price
- **B.** Quantity, quality, time, place and price
- **C.** Price, profit, people, place and promotion
- **D.** Quality, time, cost, supplier and service

Q2. Which of these is NOT one of the five rights?

- **A.** Right quantity
- **B.** Right time
- **C.** Right place
- **D.** Right brand

Q3. Complete the sentence: the five rights relate to buying goods or _____.

- **A.** Services
- **B.** Shares
- **C.** Buildings only
- **D.** Staff

Q4. *A supplier in Dubai quotes AED 10 per box but also charges AED 2 per box for shipping.*

What is the total cost per box?

- **A.** AED 10
- **B.** AED 8
- **C.** AED 12
- **D.** AED 2

Q5. Under the right price, what does TOTAL cost include?

- **A.** The price plus any other fees, such as shipping
- **B.** The price only
- **C.** The supplier's profit only
- **D.** The buyer's salary

Q6. *A Riyadh buyer compares two suppliers. Supplier A charges SAR 5 per item with free delivery. Supplier B charges SAR 4 per item plus SAR 2 delivery per item.*

Which supplier offers the lower total cost?

- **A.** Supplier B
- **B.** Supplier A
- **C.** They cost the same
- **D.** It cannot be worked out

Q7. Which right is defined as the amount charged or paid for a product or service?

- **A.** Right quality
- **B.** Right quantity
- **C.** Right place
- **D.** Right price

Q8. What does lower quality usually mean for the price?

- **A.** A higher price
- **B.** No change in price
- **C.** A lower price
- **D.** A free product

Q9. *A hotel in Doha orders luxury silk tablecloths when standard cotton ones would fully meet its needs.*

Which mistake has the buyer made?

- **A.** Buying higher quality than required
- **B.** Buying lower quality than required
- **C.** Buying from the wrong place
- **D.** Buying at the wrong time

Q10. What is the aim of the right quality?

- **A.** To always buy the best quality available
- **B.** To get the level of quality needed, without enhancing it or inflating the price
- **C.** To always buy the cheapest option
- **D.** To let the supplier decide

Q11. *A school in Muscat buys very cheap chairs that break within a month.*

Which right was NOT achieved?

- **A.** Right place
- **B.** Right time
- **C.** Right quantity
- **D.** Right quality

Q12. Which right is about placing orders and receiving goods on time?

- **A.** Right price
- **B.** Right quality
- **C.** Right time
- **D.** Right quantity

Q13. Who keeps in regular contact with suppliers to track orders and deal with possible delays?

- **A.** Expediters
- **B.** Marketing staff
- **C.** Receptionists
- **D.** Shareholders

Q14. *A restaurant in Abu Dhabi has its fresh fish delivered the day after a big event.*

Which right was NOT met?

- **A.** Right quality
- **B.** Right time
- **C.** Right price
- **D.** Right place

Q15. *A buyer in Jeddah phones a supplier to check that an order is on track for next week.*

Which right is the buyer protecting?

- **A.** Right price
- **B.** Right quality
- **C.** Right quantity
- **D.** Right time

Q16. Which right balances economies of scale against having money tied up in stock?

- **A.** Right place
- **B.** Right time
- **C.** Right quantity
- **D.** Right quality

Q17. *A company in Sharjah buys a year's supply of paper to get a big discount, but has nowhere to store it and its cash is tied up.*

Which right has it got wrong?

- **A.** Right quantity
- **B.** Right price
- **C.** Right place
- **D.** Right quality

Q18. What are economies of scale?

- **A.** Higher costs from buying in bulk
- **B.** Lower unit costs from buying larger quantities
- **C.** Ordering only when items are needed
- **D.** Using the closest supplier

Q19. Which approach orders goods just when they are needed, to avoid holding too much stock?

- **A.** Bulk buying
- **B.** Spot buying
- **C.** Lead buying
- **D.** Just in time

Q20. *A shop in Kuwait City orders 50 school uniforms, but customers want 200.*

Which right was NOT achieved?

- **A.** Right quality
- **B.** Right price
- **C.** Right quantity
- **D.** Right place

Q21. Which right considers the supplier's location, and therefore shipping time and costs?

- **A.** Right place
- **B.** Right price
- **C.** Right quantity
- **D.** Right quality

Q22. *Office furniture for a company in Manama is delivered to its old address instead of its new office.*

Which right was NOT met?

- **A.** Right time
- **B.** Right place
- **C.** Right quality
- **D.** Right quantity

Q23. The right place is described as goods coming _____ the right place.

- **A.** Only from
- **B.** Only to
- **C.** Around
- **D.** From and to

Q24. *A buyer in Salalah chooses a supplier in Oman instead of one overseas, so that deliveries take two days, not six weeks.*

Which right is the buyer mainly considering?

- **A.** Right quality
- **B.** Right quantity
- **C.** Right place
- **D.** Right price

Q25. *A Dammam buyer finds that the cheapest supplier is 3,000 km away, so delivery costs are very high.*

Which two rights are most affected by the supplier's location?

- **A.** Place and price
- **B.** Quality and quantity
- **C.** Time and quality
- **D.** Quantity and place

Q26. How is value for money achieved, according to the CIPS tutor notes?

- **A.** By always buying the cheapest item
- **B.** By applying the five rights
- **C.** By using one supplier for everything
- **D.** By ordering as much as possible

Q27. Which statement is correct?

- **A.** The lowest price is always the best value
- **B.** Quality has no effect on cost
- **C.** Shipping fees are never part of the cost
- **D.** A lower price does not always mean a lower total cost

> **Q28.** *A buyer in Al Ain receives the right items, on time, at the right address and at a fair price, but only half the amount ordered.*

Which right was missed?

- **A.** Right quality
- **B.** Right place
- **C.** Right quantity
- **D.** Right time

> **Q29.** *A trainer asks why procurement staff should think about all five rights, not just price.*

What is the best answer?

- **A.** Getting only one right can cause problems with the others and cost more overall
- **B.** Price is the only right that matters
- **C.** The five rights only apply to services
- **D.** Suppliers decide the other four rights

> **Q30.** *A hospital in Doha needs 100 gloves by Monday, delivered to Ward 3, meeting safety standards, at the agreed price. All of this happens.*

What has the buyer achieved?

- **A.** Only the right price
- **B.** All five rights
- **C.** Only the right time
- **D.** Only the right place

Answer Key

The Five Rights of Procurement and Supply: correct answers with brief reasons

Q	Answer	Reason
1	B	The five rights are the right quantity, quality, time, place and price.
2	D	Brand is not one of the five rights. The five are quantity, quality, time, place and price.
3	A	The five rights apply to buying both goods and services.
4	C	Total cost includes the price plus any other fees, such as shipping: AED 10 + AED 2 = AED 12.
5	A	Total cost covers the price charged plus other fees, such as shipping.
6	B	Supplier A costs SAR 5 in total, while Supplier B costs SAR 4 + SAR 2 = SAR 6. The lowest price is not always the lowest total cost.
7	D	Price is the amount charged or paid for a product or service.
8	C	Lower quality usually equates to a lower price.
9	A	Higher quality than required usually means a higher price. Procurement should get the right level of quality without inflating the price.
10	B	The right quality is the level that meets the need, without paying extra for quality that isn't required.
11	D	The chairs were not fit for purpose, so the right quality was not achieved.
12	C	The right time means placing orders and receiving goods on time.
13	A	Expediters track orders and deal with any potential delays, which supports the right time.
14	B	The goods arrived too late, so the right time was not achieved.
15	D	Tracking an order to make sure it arrives when needed protects the right time.
16	C	The right quantity balances the savings of buying in bulk against the cost of holding too much inventory.
17	A	Ordering too much ties money up in inventory, so the right quantity was not achieved.
18	B	Economies of scale are cost savings per unit that come from buying in larger volumes.
19	D	Just in time means ordering goods so they arrive as needed, which avoids money being tied up in inventory.
20	C	Too few uniforms were ordered to meet demand, so the right quantity was not achieved.
21	A	The right place considers where the supplier is located, which affects shipping time and cost.
22	B	The delivery did not arrive at the right location, so the right place was not achieved.
23	D	The right place covers both where the goods come from and where they are delivered to.
24	C	The supplier's location affects shipping time and cost, which is the right place.
25	A	Location affects the right place directly, and higher shipping fees raise the total cost, which is the right price.
26	B	Value for money is achieved by applying the five rights of procurement.
27	D	A low price can bring higher costs later, for example from poor quality or high shipping fees.
28	C	Only half the order arrived, so the right quantity was missed.
29	A	The rights are linked. Focusing only on price can lead to poor quality, late delivery or extra costs.
30	B	The right quantity, quality, time, place and price were all met, so all five rights were achieved.