CIPS Level 4 Diploma — Module 2 (L4M2)

Blank Buster — Missing Words Micro Exercise (30-Question Practice Paper)

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Case 1 — Nairobi: Types of Business Need

A procurement officer at a logistics firm in Nairobi handles three separate requests in one week: reordering the same printer toner the firm has bought from the same supplier for years, sourcing a slightly upgraded version of the firm's warehouse scanners from an existing approved supplier, and sourcing a brand-new fleet telematics system the firm has never purchased before.

Q1. The toner reorder, placed with the same supplier under unchanged terms, is an example of a _____.

A. A straight rebuy
B. A new purchase
C. A modified rebuy
D. A capital purchase

Q2. Sourcing the upgraded scanners from an existing supplier, with some change to specification, is an example of a _____.

A. A straight rebuy
B. A modified rebuy
C. A new purchase
D. A speculative purchase

Q3. The fleet telematics system, never bought before, carries the highest risk and requires the most time because it is a _____.

A. A straight rebuy, which needs full market analysis
B. A modified rebuy, which needs supplier re-qualification only
C. A new purchase, carrying the highest risk and requiring the most time and analysis
D. A modified rebuy, which is contractually simpler than a straight rebuy

Case 2 — Lagos: Problem Solving and RACI

A category manager in Lagos is leading a cross-functional team through a structured 8-step problem-solving process to fix recurring late deliveries from a key supplier. At Step 4, the team needs to generate options for addressing the issue, and at Step 6 they need to assign roles and responsibilities for implementing the chosen plan.

Q4. At Step 4 ('What are the strategic options?'), the team uses the _____ checklist to generate a list of options.

A. RAQSCI
B. ORAPAPA
C. RACI
D. SCAMPER

Q5. At Step 6, the person with overall control of the project and the power to say yes or no is labelled _____ in the roles matrix.

A. Accountable
B. Responsible
C. Consulted
D. Informed

Q6. Step 8 of the process asks 'What can we improve?' because conditions change over time, so _____ may restart the process to keep optimising the outcome.

A. Scheduled audits

B. Trigger events
C. Supplier reviews
D. Budget cycles

Case 3 — Doha: RAQSCI and Pricing Strategies

A buyer in Doha is briefed to prioritise supplier selection criteria using the RAQSCI model, and separately needs to understand why a new market entrant is pricing its product well below cost to win early customers, while an established premium competitor prices high and relies on its reputation for quality.

Q7. In the RAQSCI model, _____ is considered only after regulatory, assurance of supply, quality and service requirements have been met.

A. Innovation
B. Capacity
C. Cost
D. Compliance

Q8. The new entrant pricing below cost to win market share, expecting to raise prices later, is using _____.

A. Market skimming
B. Cost-plus pricing
C. Premium pricing
D. Market penetration

Q9. The established competitor pricing high and relying on its reputation for quality is using _____.

A. Premium pricing
B. Going-rate pricing
C. Marginal pricing
D. Buyer-based pricing

Case 4 — Amman: Market Testing and the Cost Model

A buyer in Amman is scoping a new equipment purchase. The specification is not yet fully defined, so the buyer first issues a document to test what suppliers can offer before narrowing the field, and later needs to analyse the supplier's cost structure, which includes costs that stay constant regardless of output and costs that rise directly with output.

Q10. Early on, before the specification is fully defined, the buyer tests the supply market and gathers supplier capability information using a _____.

A. A request for quotation (RFQ)
B. A request for information (RFI)
C. A request for proposal (RFP)
D. An invitation to tender (ITT)

Q11. To canvass potential solutions from suppliers while the specification is still unclear, the buyer would use a _____.

A. A request for quotation (RFQ)
B. A request for information (RFI)
C. A request for proposal (RFP)
D. A purchase order

Q12. The costs that remain constant regardless of the supplier's output level are known as _____.

A. Variable costs
B. Marginal costs
C. Total costs
D. Fixed costs

Case 5 — Muscat: Business Case and Budgets

A procurement lead in Muscat is preparing a business case for a modified rebuy and must include a section showing that costs have been analysed and benchmarked against the target price, as well as managing the ongoing budget once the business case is approved.

Q13. The business case section providing evidence that costs have been analysed and benchmarked to show the target price is reasonable is called _____.

A. Price and cost analysis
B. Market analysis
C. Vulnerability analysis
D. Sourcing objectives

Q14. Once the budget is developed from the approved business case, the next stage of the cycle, before monitoring variances, is _____.

A. Review
B. Do
C. Plan
D. Improve

Q15. In the cash flow cycle for a manufacturer, the step that directly follows 'manufacture products' is _____.

A. Receive funds from customers
B. Pay suppliers
C. Store in inventory
D. Receive raw materials and components

Case 6 — Istanbul: Market Classification and Strategy

An analyst in Istanbul is classifying industries using the four-digit SIC coding system and reviewing why one manufacturing client competes purely on being the lowest-cost producer in its industry, while a rival competes by making its product distinctly different from competitors.

Q16. The SIC (standard industry classification) coding system now used worldwide originated in _____.

A. The United Kingdom
B. Germany
C. Japan
D. The United States

Q17. The manufacturing client that competes by having the lowest operating cost in its industry is pursuing Porter's generic strategy of _____.

A. Cost leadership
B. Differentiation
C. Focus
D. Market penetration

Q18. A business unclear about which of Porter's three generic strategies to pursue, unable to compete on price or on a distinct offering, is described as _____.

A. Niche-focused
B. Stuck in the middle
C. Vertically integrated
D. Market-skimming

Case 7 — Casablanca: Porter's Five Forces

A supply chain analyst in Casablanca is assessing a supplier's negotiating position. The supplier is one of very few in a market with no viable substitutes, and the analyst is separately briefed on the five competitive forces that shape an industry's attractiveness.

Q19. In Porter's Five Forces, the force capturing the risk of customers switching to an alternative product entirely is the _____.

A. Bargaining power of buyers
B. Threat of new entrants
C. Threat of substitutes
D. Rivalry among existing competitors

Q20. Given there are no viable substitutes and few suppliers in this market, the supplier's bargaining power is _____.

A. Weak, because the industry is important to the supplier
B. Weak, because the product is undifferentiated
C. Strong only if there are significant switching costs for the buyer
D. Strong, because there are no substitutes and suppliers are concentrated

Q21. High rivalry among existing competitors in an industry typically leads to _____.

A. Price wars and reduced overall industry profit
B. Higher profits for all competitors as they invest more
C. No effect on pricing or profit
D. Automatic consolidation into a single dominant firm

Case 8 — Accra: Product Life Cycle and the Boston Matrix

A product manager in Accra is reviewing a portfolio: one product has very high market share in a low-growth market and generates strong steady cash, while a second product has low market share in a high-growth market and its future is uncertain. Separately, a third product's sales are still near their peak but growth is just starting to slow.

Q22. In the Boston (BCG) matrix, the product with high market share in a low-growth market is classified as a _____.

A. Star
B. Cash cow
C. Question mark
D. Dog

Q23. The product with low market share in a high-growth market, with an uncertain future, is classified as a _____.

A. Star
B. Cash cow
C. Question mark
D. Dog

Q24. The third product, with sales still near their peak but growth starting to slow, is in the _____ stage of the product life-cycle.

A. Introduction
B. Growth
C. Decline
D. Maturity

Case 9 — Kuwait City: Specifications, Standards and ORAPAPA

A specification writer in Kuwait City is evaluating an options paper using the ORAPAPA framework and separately reviewing two draft specifications: one that lists far more features than the budget holder actually needs, and one that was written without identifying all of the eventual users' requirements.

Q25. In the ORAPAPA framework, the step that asks whether an option fits the organisation's culture, values and mission statement is _____.

A. Alignment and ethics
B. Opportunities

C. Past experience
D. People

Q26. The draft specification listing far more features than the budget holder actually needs is at risk of being _____.

A. Under specified
B. Over specified
C. A straight rebuy
D. A conformance specification

Q27. The draft specification written without identifying all eventual users' requirements is at risk of being _____.

A. Over specified
B. A performance specification
C. Under specified
D. An outcome-based specification

Case 10 — Dar es Salaam: Lean, Value Engineering and Stakeholders

A continuous improvement lead in Dar es Salaam is applying Lean thinking to a sourcing project, is evaluating a brand-new product design using a model that distinguishes 'must-be', 'performance' and 'excitement' attributes, and is also mapping stakeholders by their level of interest and influence to decide how to engage each group.

Q28. In the five elements of Lean, the step that comes immediately after 'identify value' is _____.

A. Create flow
B. Establish pull
C. Seek perfection
D. Recognise the value stream

Q29. The model used to decide which functions a new product or service should have, distinguishing attributes that excite customers from those simply expected, is _____.

A. The Kano model
B. The Boston matrix
C. RAQSCI
D. ORAPAPA

Q30. On a stakeholder grid of interest versus influence, a stakeholder with high influence but low interest should be managed with the approach to _____.

A. Manage closely
B. Keep satisfied
C. Keep informed
D. Minimal effort

Answer Key

With brief rationale for each.

Case 1 — Nairobi: Types of Business Need

Q1. Correct answer: A. A straight rebuy

Buying the same item from the same supplier on unchanged terms is a straight rebuy — the simplest, lowest-risk type of purchase.

Q2. Correct answer: B. A modified rebuy

Some aspect of the requirement has changed (the specification) while the supplier relationship is retained — this is a modified rebuy.

Q3. Correct answer: C. A new purchase, carrying the highest risk and requiring the most time and analysis

New purchases carry the greatest uncertainty and risk because there is no established supplier relationship or specification to build from, so they typically take the longest to complete.

Case 2 — Lagos: Problem Solving and RACI

Q4. Correct answer: D. SCAMPER

SCAMPER (Substitute, Combine, Adapt, Modify, Put to other uses, Eliminate, Reverse) is the checklist used at the options-generation step.

Q5. Correct answer: A. Accountable

In a RACI matrix, 'Accountable' is the person with overall control and sign-off authority; 'Responsible' is the person who actually performs the task.

Q6. Correct answer: B. Trigger events

Step 8 recognises that circumstances don't stay static — a solution that worked at implementation may need revisiting later, so trigger events can restart the cycle.

Case 3 — Doha: RAQSCI and Pricing Strategies

Q7. Correct answer: C. Cost

RAQSCI ranks cost after Regulatory, Assurance of supply, Quality and Service requirements — cost is deliberately not the first consideration.

Q8. Correct answer: D. Market penetration

Market penetration uses a low introductory price to capture a large share of the market quickly.

Q9. Correct answer: A. Premium pricing

Premium pricing sets a high price because the market is prepared to pay for it, usually linked to a reputation for quality or luxury.

Case 4 — Amman: Market Testing and the Cost Model

Q10. Correct answer: B. A request for information (RFI)

An RFI is used early, before requirements are clearly defined, to test the supply market — it does not commit either party to a procurement.

Q11. Correct answer: C. A request for proposal (RFP)

An RFP is used to canvass potential solutions when the specification is still unclear, whereas an RFQ is an invitation to bid on a specific, already-defined requirement.

Q12. Correct answer: D. Fixed costs

Fixed costs do not change with output — they appear as a flat line on a cost-against-output graph, unlike variable costs which rise with output.

Case 5 — Muscat: Business Case and Budgets

Q13. Correct answer: A. Price and cost analysis

Price and cost analysis is the section that evidences cost benchmarking to demonstrate the target price is reasonable.

Q14. Correct answer: B. Do

The Plan-Do-Review cycle moves from Plan (develop the budget) to Do (monitor variances and take action), then to Review (evaluate performance and re-plan).

Q15. Correct answer: C. Store in inventory

The cycle runs: receive raw materials → manufacture products → store in inventory → sell products → receive funds from customers → pay suppliers.

Case 6 — Istanbul: Market Classification and Strategy

Q16. Correct answer: D. The United States

The four-digit SIC system originated in the US and is now widely used internationally to classify industries.

Q17. Correct answer: A. Cost leadership

Cost leadership is the strategy of gaining competitive advantage through having the lowest cost of operation in the industry.

Q18. Correct answer: B. Stuck in the middle

Porter describes a business that fails to commit clearly to cost leadership, differentiation, or focus as 'stuck in the middle' — these businesses often eventually fail.

Case 7 — Casablanca: Porter's Five Forces

Q19. Correct answer: C. Threat of substitutes

The threat of substitutes covers buyers switching to a different product or service that meets the same need.

Q20. Correct answer: D. Strong, because there are no substitutes and suppliers are concentrated

Supplier bargaining power is strong when there are no substitutes available and suppliers are larger/more concentrated than buyers in the industry.

Q21. Correct answer: A. Price wars and reduced overall industry profit

Intense rivalry often triggers retaliatory price cuts, which can turn into a price war and reduce profits across the industry as a whole.

Case 8 — Accra: Product Life Cycle and the Boston Matrix

Q22. Correct answer: B. Cash cow

A cash cow has high market share in a low-growth market — it generates strong, steady cash with little further investment needed.

Q23. Correct answer: C. Question mark

A question mark has low market share in a high-growth market — it could become a star or fail, hence the uncertainty.

Q24. Correct answer: D. Maturity

Maturity is the stage where sales remain near their peak but the rate of growth starts to slow down, before decline sets in.

Case 9 — Kuwait City: Specifications, Standards and ORAPAPA

Q25. Correct answer: A. Alignment and ethics

'Alignment and ethics' is the ORAPAPA step that checks how well an option fits the organisation's culture, strategy and values.

Q26. Correct answer: B. Over specified

An over-specified need leads to greater expense, fewer competing suppliers able to meet the full spec, and more difficulty evaluating trade-offs.

Q27. Correct answer: C. Under specified

An under-specified need means not all requirements have been identified — the resulting product/service may be unsuitable, wasting money and failing to satisfy the customer.

Case 10 — Dar es Salaam: Lean, Value Engineering and Stakeholders

Q28. Correct answer: D. Recognise the value stream

The five Lean elements run: identify value → recognise the value stream → create flow → establish pull → seek perfection.

Q29. Correct answer: A. The Kano model

The Kano model, developed by Dr Noriaki Kano, is the tool used in value engineering to classify product attributes by their effect on customer satisfaction.

Q30. Correct answer: B. Keep satisfied

High influence but low interest stakeholders should be kept satisfied — given enough information to stay on side without overwhelming them with detail.