CIPS Level 4 Diploma — Module 5 (L4M5)

Micro Session: Negotiation and Power — 20-Question Practice Paper

This practice paper is produced independently by Caveat Emptor LLC for study purposes only. It is not an official CIPS publication and is not endorsed, reviewed, or approved by CIPS.

Case 1 — Legitimate Power

Two negotiators from the same company arrive at a supplier meeting. One is a junior buyer, the other is the procurement director. The supplier's team immediately addresses most questions and decisions to the procurement director, expecting them to have authority to commit.

Q1. What type of power is being recognized?

A. Legitimate power from formal position and rank
B. Expert power from years of experience
C. Reward power from budget control
D. Referent power from personal reputation

Case 2 — Legitimate Power

In a negotiation between two companies, the national sales director can make decisions without consulting HQ, but the regional sales director must check back before finalizing agreements.

Q2. What does this demonstrate?

A. Reward power differences
B. Legitimate power based on rank and authority
C. Expert power hierarchy
D. Referent power dynamics

Case 3 — Legitimate Power

A military procurement officer is negotiating with suppliers. Despite being young and relatively inexperienced, vendors comply with their requests immediately.

Q3. What is this primarily an example of?

A. Expert power from technical knowledge
B. Referent power from personal reputation
C. Legitimate power from formal position and rank
D. Informational power from controlling data

Case 4 — Reward Power

A purchasing manager is meeting with a new office supplies vendor. During the negotiation, the manager mentions that their organization has 15 regional offices that all need suppliers, and successful vendors in one location often get recommended to other offices.

Q4. What type of power is the manager demonstrating?

A. Legitimate power from managing multiple offices
B. Expert power about office supply needs
C. Informational power about organizational structure
D. Reward power through potential future business opportunities

Case 5 — Reward Power

A buyer from a large organization is negotiating with a small supplier. The buyer hints that this contract could lead to introductions to other buyers in their organization, potentially worth millions in future business.

Q5. What is this an example of?

A. Reward power through future opportunities
B. Coercive power through threats
C. Legitimate power from organizational rank
D. Expert power from market knowledge

Case 6 — Reward Power

A major retailer is negotiating shelf space with a food manufacturer. The retailer offers prominent end- of-aisle displays and mentions they could feature the product in their monthly promotional magazine that reaches 2 million customers. The manufacturer agrees to better terms.

Q6. What best describes this situation?

A. Coercive power through threats of poor placement
B. Reward power offering attractive inducements beyond just money
C. Expert power from retail marketing knowledge
D. Legitimate power from being a larger organization

Case 7 — Reward Power

During supplier negotiations, a procurement manager at a multinational corporation mentions they can potentially award longer-term, more profitable contracts than their competitor companies.

Q7. What type of power are they leveraging?

A. Coercive power
B. Legitimate power
C. Reward power
D. Informational power

Case 8 — Expert Power

During a software licensing negotiation, the vendor's technical consultant explains complex cloud security protocols and data encryption standards. The buyer's team, who lack technical IT expertise, find themselves accepting the vendor's recommendations on security requirements.

Q8. What is happening here?

A. Legitimate power from the consultant's official role
B. Informational power from controlling security data
C. Referent power from the consultant's communication style
D. Expert power based on technical knowledge and skills

Case 9 — Expert Power

A supplier's salesperson has a BSc in Pharmacy and PhD in biochemistry on their business card. Even though this technical knowledge isn't required to sell the product, it gives them credibility in negotiations with pharmaceutical companies.

Q9. What does this demonstrate?

A. Expert power based on credentials and perceived expertise
B. Legitimate power from qualifications
C. Informational power from controlling data
D. Referent power from reputation

Caveat Emptor

Case 10 — Expert Power

Two companies are negotiating a manufacturing partnership. Each side brings engineering experts who disagree on whether a particular production process is feasible. Both experts cite research and data. The negotiation stalls for weeks as neither team wants to override their expert.

Q10. What does this illustrate?

A. Informational power from controlling research data
B. The risk that over-reliance on experts can lead to deadlock when they disagree
C. Legitimate power conflicts between technical authorities
D. Referent power from both experts' strong reputations

Case 11 — Expert Power

Your negotiation team includes subject matter experts (SMEs) who can counter technical claims made by the other party.

Q11. Why does this help?

A. It increases your legitimate power through rank
B. It provides reward power to offer the other party
C. It enables your team to be honest about technical capabilities and challenge incorrect claims
D. It gives you coercive power through intimidation

Case 12 — Referent Power

Sarah is negotiating with a difficult supplier who has been aggressive with previous buyers. However, the supplier has heard that Sarah is well-respected in the industry, always fair in her dealings, and has strong ethical principles. The supplier moderates their approach and treats Sarah with more respect than previous buyers received.

Q12. What is influencing the supplier's behavior?

A. Legitimate power from Sarah's job position
B. Expert power from Sarah's industry knowledge
C. Coercive power from Sarah's tough approach
D. Referent power from Sarah's personal reputation and perceived character

Case 13 — Referent Power

A senior negotiator has built a reputation over 20 years for being "tough but fair," never overpromising, and always respecting confidentiality. Suppliers trust them and often agree to terms more readily.

Q13. What is this an example of?

A. Referent power from personal reputation and values
B. Legitimate power from seniority
C. Expert power from experience
D. Coercive power from past consequences

Case 14 — Referent Power

James has been a procurement lead for 5 years. He always follows through on commitments, never bluffs about walking away from deals, maintains strict confidentiality, and treats suppliers with respect even when declining their bids. Suppliers now actively seek to work with him.

Q14. What has James been building?

A. Legitimate power through tenure and experience
B. Referent power through consistent ethical behavior and reputation
C. Expert power through procurement knowledge

Caveat Emptor

D. Reward power through repeat business

Case 15 — Coercive Power

A major client tells their IT services provider: "If you don't reduce your rates by 15%, we'll not only cancel this contract but we'll also ensure that your reputation in the industry suffers. We have connections with your other clients."

Q15. What type of power is being used?

A. Reward power through future business potential
B. Legitimate power from being a major client
C. Coercive power through threats of punishment and damage
D. Informational power about industry connections

Case 16 — Coercive Power

During a contract renewal negotiation, a supplier hints that if the buyer doesn't agree to a price increase, they might prioritize other customers' orders, leading to potential delivery delays.

Q16. What does this represent?

A. Reward power through better service
B. Expert power from supply chain knowledge
C. Legitimate power from contract terms
D. Coercive power through threat of withdrawal of benefits

Case 17 — Coercive Power

During a tense contract negotiation, one party's lead negotiator publicly questions the other team's competence in front of their senior management, attempts to embarrass them about a previous project failure, and suggests they'll be blamed if this deal falls through.

Q17. What is this negotiator using?

A. Coercive power through intimidation, embarrassment, and guilt
B. Expert power by demonstrating superior knowledge
C. Referent power by establishing dominance
D. Legitimate power from involving senior management

Case 18 — Informational Power

Company A is negotiating with Company B about a potential acquisition. Company A's CEO is childhood friends with Company B's CFO, who has been sharing confidential information about Company B's cash flow problems, upcoming lawsuits, and board disagreements. Company A uses this in negotiations while Company B's negotiation team is unaware of the information leak.

Q18. What does Company A have?

A. Referent power from the CEO's personal relationships
B. Informational power from controlling sensitive information others don't know they have
C. Expert power from financial analysis capabilities
D. Legitimate power from being the acquiring company

Case 19 — Informational Power

Before negotiating with a potential partner, Organization A spends considerable effort researching Organization B's financial position, key decision makers, strategic priorities, and recent market challenges.

Q19. Why is this investment worthwhile?

A. It demonstrates their expert power
B. It shows legitimate power through thorough preparation
C. It provides informational power by understanding what the other party needs
D. It creates coercive power through data collection

Case 20 — Informational Power

A buyer's procurement team has access to confidential market intelligence about a supplier's recent production problems and financial difficulties. The supplier is unaware that the buyer knows this.

Q20. What does this situation represent?

A. Expert power from industry knowledge
B. Referent power from research capabilities
C. Coercive power from potential exposure
D. Informational power from controlling sensitive information

Caveat Emptor

Answer Key

With brief rationale for each.

Case 1 — Legitimate Power

Q1. Correct answer: A. Legitimate power from formal position and rank

The director's title and formal rank give them recognised authority to commit — the definition of legitimate power.

Case 2 — Legitimate Power

Q2. Correct answer: B. Legitimate power based on rank and authority

Decision rights tied directly to rank and job title are a textbook case of legitimate power.

Case 3 — Legitimate Power

Q3. Correct answer: C. Legitimate power from formal position and rank

Compliance here follows from the officer's formal military rank, not from skill or relationships — legitimate power.

Case 4 — Reward Power

Q4. Correct answer: D. Reward power through potential future business opportunities

The manager is signalling future business across multiple sites — an ability to reward the vendor, not a formal rank or skill.

Case 5 — Reward Power

Q5. Correct answer: A. Reward power through future opportunities

Hinting at further introductions and future business is an offer of reward, not an exercise of rank or expertise.

Case 6 — Reward Power

Q6. Correct answer: B. Reward power offering attractive inducements beyond just money

Prominent displays and promotional exposure are non-monetary inducements — reward power is not limited to cash.

Case 7 — Reward Power

Q7. Correct answer: C. Reward power

Access to larger, more profitable future contracts is a reward being dangled to influence the supplier.

Case 8 — Expert Power

Q8. Correct answer: D. Expert power based on technical knowledge and skills

The consultant's technical knowledge of security protocols is what shifts the buyer's position — expert power.

Case 9 — Expert Power

Q9. Correct answer: A. Expert power based on credentials and perceived expertise

Qualifications create perceived expertise even when not strictly required for the sale — expert power.

Case 10 — Expert Power

Q10. Correct answer: B. The risk that over-reliance on experts can lead to deadlock when they disagree

When both sides lean on experts who disagree, neither side will override its own specialist, and the talks stall — a classic deadlock risk from over-reliance on expert power.

Case 11 — Expert Power

Q11. Correct answer: C. It enables your team to be honest about technical capabilities and challenge incorrect claims

Bringing in SMEs lets a team test and challenge technical claims honestly, rather than simply defer to the other side's experts.

Caveat Emptor

Case 12 — Referent Power

Q12. Correct answer: D. Referent power from Sarah's personal reputation and perceived character

Sarah's fairness and ethical reputation — not her title or expertise — is what changes the supplier's behaviour toward her.

Case 13 — Referent Power

Q13. Correct answer: A. Referent power from personal reputation and values

A reputation built over years for trustworthy, consistent conduct is referent power, not legitimate or expert power.

Case 14 — Referent Power

Q14. Correct answer: B. Referent power through consistent ethical behavior and reputation

James's suppliers seek him out because of his character and consistency, not his seniority or technical knowledge — referent power.

Case 15 — Coercive Power

Q15. Correct answer: C. Coercive power through threats of punishment and damage

An explicit threat of cancellation and reputational damage for non-compliance is coercive power.

Case 16 — Coercive Power

Q16. Correct answer: D. Coercive power through threat of withdrawal of benefits

The hinted threat of delivery delays if the price increase is refused is coercive power through withdrawal of a benefit.

Case 17 — Coercive Power

Q17. Correct answer: A. Coercive power through intimidation, embarrassment, and guilt

Public embarrassment and implied blame are used to intimidate — coercive power, not expertise.

Case 18 — Informational Power

Q18. Correct answer: B. Informational power from controlling sensitive information others don't know they have

Access to confidential information the other side doesn't know you have is informational power.

Case 19 — Informational Power

Q19. Correct answer: C. It provides informational power by understanding what the other party needs

Thorough pre-negotiation research builds informational power by revealing what the other party actually needs.

Case 20 — Informational Power

Q20. Correct answer: D. Informational power from controlling sensitive information

Knowing about the supplier's problems before they realise you know is informational power from controlling sensitive data.