
CIPS Level 3 – Advanced Certificate in Procurement and Supply Operations

Contract Administration [L3M3]

Sample Exam Questions (Objective Response)

The correct answer will be listed below each question

Q1. Which of the following documents contain details of specific measures which form part of the contract between the buyer and supplier?

- a. Technical drawings
- b. Key performance indicators
- c. Pricing schedules
- d. Non-disclosure agreements

LO: 1

AC: 1.2

Correct answer: B

Q2. Which of the following is a recognised technique for achieving competitive pricing from suppliers on new contracts?

- a. Using a specification
- b. Through contract terms
- c. Use of indexation
- d. Obtaining quotations

LO: 2

AC: 2.1

Correct answer: D

Q3. Drag and drop the correct option into the blank space.

A purchase is used to meet immediate requirements, often for urgent or one-off requirements

- spot
- term
- specified
- call off

LO: 1

AC: 1.1

Correct answer: spot

Q4. For tendering to be effective when dealing with a new and complex purchase, a buyer should first ...

- a. evaluate all the bids
- b. conduct market research
- c. design the terms and conditions
- d. create a risk register

LO: 3

AC: 3.1

Correct answer: B

Q5. A supplier provides low value non-complex goods to a manufacturing organisation. The manufacturer could buy the goods from any one of fifty different suppliers. The manufacturer is most likely to adopt which form of negotiation in these circumstances?

- a. Distributive
- b. Compromised
- c. Collaborative
- d. Partnership

LO: 2

AC: 2.2

Correct answer: A

Q6. Drag and drop the correct option into the blank space.

is a process between two or more parties with the objective of reaching an agreement to settle a matter of mutual concern or resolve a conflict.

- Commissioning
- Purchasing
- Compromising
- Negotiating

LO: 2

AC: 2.2

Correct answer: Negotiating

Q7. The concept of competitive pricing involves comparing a supplier's proposed price against which of the following?

- a. Market rate
- b. Past trends
- c. Stakeholder expectations
- d. Future orders

LO: 2

AC: 2.1

Correct answer: A

Q8. When assessing tender proposals the buyer will most typically review all bids against which of the following?

- a. Evaluation criteria
- b. Initial requisition
- c. Terms and conditions
- d. Code of ethics

LO: 3

AC: 3.3

Correct answer: A

Q9. Drag and drop the correct option into the blank space.

are stated within a business case to demonstrate to stakeholders the potential value of a project to the organisation.

- Benefits
- Options
- Risks
- Costings

LO: 1

AC: 1.4

Correct answer: Benefits

Q10. In order to formalise the management of contractual risk the buyer is most likely to develop a ...

- a. risk culture
- b. risk register
- c. risk profile
- d. risk appetite

LO: 4

AC: 4.3

Correct answer: B

Q11. A 'call off' is most typically associated with which of the following?

- a. Spot purchase
- b. Framework agreement
- c. Long-term contract
- d. Sub-contracting

LO: 1

AC: 1.1

Correct answer: B

Q12. Which clause is used within contract terms documentation to establish the legal system and process under which the contract has been established?

- a. Jurisdiction
- b. Liability
- c. Assignment
- d. Indemnity

LO: 1

AC: 1.2

Correct answer: A

Q13. Select the correct option from the drop down box.

A agreement is essentially a simple framework agreement which comprises two or more suppliers

- contract
- term
- panel
- spot

LO: 1

AC: 1.1

Correct answer: C

Q14. An integrative approach to negotiation will focus on achieving which outcome?

- a. Win-win
- b. Win-lose
- c. Lose-lose
- d. Lose-win

LO: 2

AC: 2.2

Correct answer: A

Q15. Which of the following terms are not specifically stated within the contract but are still applicable?

- a. Express terms
- b. Implied terms
- c. Fixed terms
- d. Bespoke terms

LO: 3

AC: 3.2

Correct answer: B

Q16. Profit expressed as a percentage of costs is known as which of the following?

- a. Margin
- b. Return
- c. Mark-up
- d. Break-even

LO: 2

AC: 2.3

Correct answer: C

Q17. A pre-qualification questionnaire is used for which of the following?

- a. To determine if a bidder meets the procurement organisation's minimum standards
- b. To gather detailed market data prior to making the contract award decision
- c. To undertake evaluation of tenders using an agreed set of criteria
- d. To prepare for post tender negotiations with all preferred bidders

LO: 3

AC: 3.2

Correct answer: A

Q18. Which of the following is the best example of transparency in the tendering process?

- a. Communicating the award decision to all internal stakeholders
- b. Ensuring all bidders are treated the same wherever they are
- c. Issuing evaluation criteria with tender documentation
- d. Recognising that goods from other countries will be acceptable

LO: 3

AC: 3.4

Correct answer: C

Q19. A buyer's original requirement is permitted to change and expand, resulting in the procurement organisation having to pay more than anticipated. This is known as which of the following?

- a. Mutual recognition
- b. Specification creep
- c. Unintended variation
- d. Performance risk

LO: 3

AC: 3.3

Correct answer: B

Q20. To be effective, the best KPIs (Key Performance Indicators) must be which of the following?

- a. Specific and timebound
- b. Fair and transparent
- c. Open and clear
- d. Flexible and measurable

LO: 4

AC: 4.2

Correct answer: A
