

**CIPS Level 2 – Certificate in Procurement and Supply
Operations**

Stakeholders Relationships [L2M3]

Sample Exam Questions (Objective Response)

The correct answer will be listed below each question

Q1. Which of the following are considered 'internal' stakeholders to an organisation?

- a. Customers
- b. Employees
- c. The Government
- d. Pressure groups

LO: 1

AC: 1

Correct answer: B

Q2. Which of the following internal stakeholder groups is involved when high capital equipment is required?

- a. Production, marketing agency and sales
- b. Administration, managing director and customer
- c. Local community, finance, marketing
- d. Finance, production, senior management, design and production

LO: 1

AC: 1.2

Correct answer: D

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

is a market dominated by a few large competing suppliers.

- Oligopoly
- Monopoly
- Duopoly
- Oligopsony

LO: 2

AC: 2.3

Correct answer: Oligopoly

Q4. The cross over point on the demand and supply curve where supply equals demand is known as ...

- a. interference price
- b. equilibrium price
- c. fair price
- d. firm price

LO: 2

AC: 2.2

Correct answer: B

Q5. The primary sector of the economy includes ...

- a. forestry, mining and manufacturing
- b. training, consultancy and operations
- c. extractive industries and mechanics
- d. forestry, mining and agriculture

LO: 2

AC: 2.1

Correct answer: D

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

is a negotiation conflict handling style described as 'the use of bargaining with each party trading concessions and gains'.

- Compromising
- Determining
- Accommodating
- Synchronising

LO: 3

AC: 3.2

Correct answer: Compromising

Q7. Group cohesiveness is a key method to achieve ...

- a. effective team working
- b. supplier control
- c. on time supply
- d. quality

LO: 3

AC: 3.4

Correct answer: A

Q8. Giving a contract to a business which has a family connection to the purchaser would result in ...

- a. achieving stakeholder buy-in
- b. a conflict of interest
- c. a quick negotiation
- d. a long term agreement

LO: 4

AC: 4.2

Correct answer: B

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

may result in conflict between stakeholders in procurement and supply.

- Poor Communication
- Timely Communication
- Clear Direction
- Cross Functional Working

LO: 4

AC: 4.2

Correct answer: Poor Communication

Q10. Customers and suppliers represent which of the following in the supply chain?

- a. internal stakeholders
- b. external stakeholders
- c. shareholders
- d. consumers

LO: 1

AC: 1.1

Correct answer: B

Q11. Elise visits a shop and buys some sweets for her grandma. Elise's grandma enjoys eating the sweets. In this situation, which party is the customer and which party is the consumer?

- a. Elise is the customer and the consumer
- b. Elise's grandma is the customer and the consumer
- c. Elise is the customer and grandma is the consumer
- d. Elise is the consumer and grandma is the customer

LO: 1

AC: 1.1

Correct answer: C

Q12. Suppliers that do not have a financial interest and are not employed by an organisation are known as which type of stakeholders?

- a. Internal
- b. Connected
- c. External
- d. Minor

LO: 1

AC: 1.3

Correct answer: C

Q13. An organisation that provides a service to its customers and consumers belongs in which sector?

- a. Primary
- b. Tertiary
- c. Secondary
- d. Third

LO: 2

AC: 2.1

Correct answer: B

Q14. A situation where there are lots of suppliers who are offering non differentiated products is an example of which type of market structure?

- a. Perfect competition
- b. Imperfect competition
- c. Oligopolistic competition
- d. Duopolostic competition

LO: 2

AC: 2.3

Correct answer: A

Q15. Hans has written a letter to his customers, with supporting evidence stating "due to a shortage in raw materials, I am afraid that I have to notify you of a 10% price increase starting on 1st July 2020". What situation has presented itself to result in the letter written by Hans?

- a. Demand exceeds supply
- b. Supply has exceeds demand
- c. Supply and demand are equal
- d. The supplier wants more profit

LO: 2

AC: 2.2

Correct answer: A

Q16. Porter's 5 Forces model is an aid to understand what?

- a. Product categorisation
- b. Supplier relationships
- c. Stakeholder management
- d. Competitive influences

LO: 2

AC: 2.3

Correct answer: D

Q17. Which of the following completes the team development model: Forming, Storming, Norming ...

- a. Persuading
- b. Performing
- c. Personalising
- d. Pre-empting

LO: 3

AC: 3.4

Correct answer: B

Q18. Select the correct answer from the drop down box.

If the price is set too high for a product/service, that buyers are unwilling to pay, there will be excess in the market.

- demand
- supply
- elasticity
- competition

LO: 2

AC: 2.2

Correct answer: B

Q19. A negotiation style which has a high concern for the supplier's needs but a low consideration for the buyer's needs is ...

- a. Avoiding
- b. Altercating
- c. Accommodating
- d. Abandoning

LO: 3

AC: 3.2

Correct answer: C

Q20. A stakeholder who has high power but low interest should receive what treatment?

- a. Keep informed
- b. Manage closely
- c. Monitor
- d. Keep satisfied

LO: 3

AC: 3.3

Correct answer: D