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QUESTION & ANSWER

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Exam : **CPSM1**

Title : Foundation of Supply
Management

Version : Demo

1.A document that assures the seller that payment will be made by the bank issuing the letter of credit upon fulfillment of the terms is called a?

- A. Letter of credit document for assurance.
- B. Financial instrument document for assurance.
- C. Bank draw document for assurance.
- D. Cashiers check document for assurance.

Answer: A

Explanation:

A document that assures the seller that payment will be made by the bank issuing the letter of credit upon fulfillment of the terms is called a letter of credit payment mechanism. The remaining choices are incorrect: Financial instrument is a tradable asset of any kind; either cash, evidence of an ownership interest in an entity, or a contractual right to receive or deliver cash. Cashiers check is written by a financial institution on its own funds. Bank draw is the same as withdraw.

2.The measure of inbound revenues and outbound expenses in a time period is called?

- A. Cash flow financial measure
- B. Revenue transfer financial measure
- C. Cost flow financial measure
- D. Revenue flow financial measure

Answer: A

Explanation:

The measure of inbound revenues and outbound expenses in a time period is called cash flow. The remaining terms are incorrect fabrications: Cost flow, Revenue flow, and Revenue transfer.

3.Ethical business conduct in supply management has a great importance to your organization. In supply management there are three key areas of social responsibility.

There are 1) Ethical standards in the conduct of supply management. 2) Environmental compliance and responsibility in the supply chain and life cycle and 3) is what?

- A. Human rights compliance.
- B. Organizational and supply chain safety.
- C. International standards of business conduct (ISBC)
- D. Social responsibility norms.

Answer: B

Explanation:

Ethical business conduct in supply management has a great importance to your organization. In supply management there are three key areas of social responsibility. There are 1) Ethical standards in the conduct of supply management. 2) Environmental compliance and responsibility in the supply chain and life cycle and 3) Organizational and supply chain safety. The remaining responses are incorrect: Human rights compliance, Social responsibility norms, and International standards of business conduct (ISBC).

4.The management of the various facets of a contract to ensure performance in accordance with contractual requirements is referred to as?

- A. Contract administration of a contract.
- B. Contracting Officer Representative duties.

- C. Contract performance of duties.
- D. Contract assessment of the contracted terms.

Answer: A

Explanation:

The management of the various facets of a contract to ensure performance in accordance with contractual requirements is referred to as contract administration. COR is a government term for contracting officer representative. Contract performance is the suppliers adherence to the contract requirements. Contract assessment is a fabricated term.