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QUESTION & ANSWER

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Exam : **L5M5**

Title : CORE Level 5 Managing
Ethical Procurement and
Supply

Version : DEMO

1.The unethical practice of using information that is not publicly available to trade on the stock market is commonly known as what?

- A. bribery
- B. kickback
- C. insider trading
- D. greasing the wheels

Answer: C

Explanation:

This is Insider Trading- the definition is on p.2

2.Which of the following form the 'Triple Bottom Line'? Select THREE

- A. people
- B. planet
- C. product
- D. profit
- E. placement

Answer: A,B,D

Explanation:

People, Planet and Profit are the 'triple bottom line' - see p.3 of the study guide. This is also known as the 3Ps

3.Which organisation is responsible for the creation of the 2030 Sustainable Development Agenda?

- A. UN
- B. NATO
- C. ISO
- D. ILO

Answer: A

Explanation:

This is the UN. There are 17 sustainability goals and these are listed on p.3. For the exam it's a good idea to familiarise yourself with them, but there's no need to learn them all off-by-heart.

4.Which of the following are benefits to sustainable business practices? Select TWO

- A. increased productivity and reduced waste
- B. competitive advantage
- C. weakened performance
- D. increased spending

Answer: A,B

Explanation:

The two benefits are increased productivity and reduced waste and competitive advantage. The other two options are potential downsides. These types of questions in the exam are pretty straight forward- just look for the logical answer. Benefits and risks of sustainable practices are explained on p.11-14

5.Ruben is a new Procurement Manager at XYZ Company. He has been charged with buying a new piece of machinery for a factory. Having looked at several options, and considered sustainability, he has

opted to buy the more expensive piece of machinery.

In terms of sustainability, why might he have made this choice?

- A. The higher priced item will be of better quality
- B. The higher priced item is from a more reputable company
- C. In terms of life-cycle costing the more expensive item may be cheaper in the long term
- D. The more expensive piece of equipment will be more environmentally friendly

Answer: C

Explanation:

3 is the correct answer. This question is testing if you know about Whole Life Cycle Costing. You'll have come across this already at level 4 (module 7). It's a big part of sustainability. See p.14 for a quick recap on this. In terms of this question, even if you don't remember life-cycle costing, options 1 2 and 4 can't be right- we don't have information in the question that tells us that the higher priced item is better quality, from a reputable company or environmentally friendly- we just don't know based on the information we've been given so these answers can't be right.