

# CPIM - Basics of Supply Planning

1. Which of the following manufacturing environments presents the greatest complexity in promising completion dates for customer orders?

A. Flow

B. Repetitive

C. Continuous

D. Intermittent

**Answer(s): D**

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2. The question below is based on the following cost information:

Capital cost	9%
Storage cost	11%
Risk cost	5%

What is the carrying cost?

A. 14%

B. 16%

C. 20%

D. 25%

**Answer(s): D**

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3. Gemba is a Japanese word meaning:

A. shop floor.

B. shop order.

C. shop packet.

D. shop traveler.

**Answer(s): A**

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4. Which practice focuses on root cause analysis?

A. Statistical process control

B. Five whys

C. Scatter diagram

D. Pareto chart

**Answer(s): B**

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5. Which of the following situations is characteristic of a make-to-stock environment?

A. Work in process (WIP) represents the largest cost of inventory.

B. The impact of technology on the production process will be large.

C. The master schedule is stated at the finished product level.

D. Customer involvement is typically very high.

**Answer(s): C**

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6. In an assemble-to-order production environment, the master production schedule contains:

A. standard items.

B. finished items.

C. raw materials.

D. subassemblies.

**Answer(s): D**

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7. The primary purpose of enterprise resources planning is to:

A. focus on the manufacturing function within an organization.

B. integrate an approach to business management.

C. use external knowledge to seek an internal advantage.

D. provide data protection along the supply chain.

**Answer(s): B**

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8. A firm offers products configured from a large number of stocked options. Which of the following production environments is the firm most likely to use?

A. Engineer-to-order

B. Make-to-order

C. Assemble-to-order

D. Make-to-stock

**Answer(s): C**

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9. The overall objective of an integrated supply chain can best be described as the achievement of:

A. decreased lead time.

B. increased supplier partnerships.

C. an efficient flow of materials and information.

D. an efficient flow of production.

**Answer(s): C**

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**10.** Which of the following statements characterizes an intermittent manufacturing environment?

A. Work center load is predictable.

B. Routings for all products are the same.

C. Work centers are organized by function.

D. Kanban is the most appropriate scheduling method.

**Answer(s): C**

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**11.** Which of the following tools is considered to be one of the seven quality tools?

A. Gantt chart

B. Input/output chart

C. Control chart

D. Capacity chart

**Answer(s): C**

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**12.** The principal objective of total quality management in manufacturing is to:

A. implement statistical process control.

B. meet the expectations of the customer.

C. reduce the costs of failure.

D. eliminate inspections.

**Answer(s): B**

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**13.** A company's cost of goods sold would be found on which of the following financial documents?

A. Balance sheet

B. Income statement

C. Cash flow statement

D. Performance statement

**Answer(s): B**

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**14.** Which of the following items is considered an external failure cost?

A. Warranty cost

B. Incoming inspection

C. Prevention cost

D. Appraisal cost

**Answer(s): A**

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**15.** Which of the following characteristics is most distinctive of lean manufacturing?

A. Teamwork

B. Continuous improvement

C. Qualitative measurements

D. Bottom-line results

**Answer(s): B**

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**16.** Which of the following types of manufacturing processes would tend to have the lowest work in process (WIP) inventory?

A. Project

B. Intermittent

C. Batch

D. Flow

**Answer(s): D**

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**17.** Which of the following techniques typically eliminates common errors?

A. Practical kaizen training

B. Kaizen

C. Poka-yoke

D. Kanban

**Answer(s): C**

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18. After a quality improvement program has been successfully implemented, the greatest cost of controlling quality typically is the cost of:

A. failure.

B. appraisal.

C. prevention.

D. inspection.

**Answer(s): C**

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19. Having bolts and tools at the point of use on the automobile assembly line eliminates the waste of :

A. waiting.

B. overproduction.

C. making defects.

D. stocks.

**Answer(s): A**

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20. Inventory turns is an appropriate performance measure for which of the following functions?

A. Material control

B. Activity-based costing control

C. Total quality management

D. Flexible manufacturing

**Answer(s): A**

