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Question 1

Question Type: MultipleChoice

A market situation where there is a small number of large suppliers is called:

Options:

- A- Oligopoly
- B- Monopoly
- C- Perfect competition
- D- Monopsony

Answer:

A

Explanation:

A monopoly is a single supplier (or for some authorities where one supplier has control of the market eg 75% market share); a monopsony is a single buyer.

Perfect competition involves many suppliers and many buyers.

The clue here is the 'small number' of suppliers.

Question 2

Question Type: MultipleChoice

Thinking about supply and demand, there is one price at which producers wish to sell the same amount as customers wish to buy: in other words, the market 'clears', without either a surplus of supply or unsatisfied demand. This price is called the - - - - - price.

Options:

- A- Equidistant
- B- Equilibrium
- C- Clearing
- D- Equivalium

Answer:

B

Explanation:

Equilibrium price as demand and supply are perfectly balanced.

Equivalium is a made-up word. When I was studying for my MCIPS back in the 1980's it was a re-quirement to undertake a research study. My research was into the monopolistic supply of valium and librium to the UK's National Health Service by a Swiss company called Hofmann la Roche. That research endeared me neither to branded drugs, nor, possibly unfairly, to multinationals.

The likely choice of answers for people who don't know the correct answer is probably between 'equilibrium' and 'clearing'. Clearing would be a logical choice, but it's not the one your assessor re-quires.

Question 3

Question Type: MultipleChoice

Which of the following are examples of non-renewable resources?

Options:

A- Wind power from wind turbines

B- Coal

C- Hydro-electric

D- Oil

Answer:

B, D

Explanation:

Coal and oil are the correct answers. These are finite resources and will run out some day.

The others shown are renewables.

Question 4

Question Type: MultipleChoice

Which one of the following initiates the procurement process inside the buying organisation, calling for action by the procurement professionals?

Options:

A- Request for quotation

B- Invoice

C- Specification

D- Requisition

Answer:

D

Explanation:

This should be an easy question.

If you are unfamiliar with any of these terms, return to your textbook soon.

The RFQ is the action taken by procurement often, further to the requisition and other necessary documentation.

Question 5

Question Type: MultipleChoice

Which one of the following is a document describing the requirement of a buying organisation, and may be used in seeking quotations or in a tender process? It may take the form of a written description, drawing, model, chemical formula, etc.

Options:

- A- Specification
- B- Request for proposal
- C- Requisition
- D- Service level agreement

Answer:

A

Explanation:

Specification is the answer. The second sentence in the rubric makes it clear that this is the correct answer.

Question 6

Question Type: MultipleChoice

In one format for describing socio-economic groupings, skilled, semi-skilled and unskilled working class people would be classified as:

Options:

A- A,

B- C1

C- C2,

D- D

Answer:

B

Explanation:

This is a broad group of people deriving income from employment, including some skilled people through to unskilled.

A, B and C1 would be those people often referred to as upper middle class or upper class; whereas E would describe a broad group of the poor, the unemployed, etc.

These are rough generalisations regarding people's likelihood of income, taste, lifestyle, etc. To take an extreme example, there is probably not much point in trying to market Dom Perignon (an expensive brand of champagne) to the E group. But the E group might welcome promotion of a low-cost brand of tobacco or cigarettes.

Question 7

Question Type: MultipleChoice

'Partnerships are not-for-profit entities'. True or false?

Options:

A- False

B- True

Answer:

A

Explanation:

This is simply false. Partnerships are normally unincorporated profit-oriented organisations eg accountants, lawyers, many consultancies, some retailers, etc. One significant factor about partnerships is that individuals' capital is normally at risk, unlike in limited companies, where the risk is limited.

Question 8

Question Type: MultipleChoice

Which of the following are examples of renewable resources?

Options:

- A-** Hydro-electric
- B-** Coal
- C-** Oil
- D-** Wind power from wind turbines

Answer:

A, D

Explanation:

Both wind power and hydro-electric can be used many times over - they are renewable - wind, rivers, tides return each day, more or less.

On the other hand, coal, oil as well as wood, turf and gas are non-renewable - that is, there are limited stocks and they will run out.

Many economies are now switching to use of renewables to generate electricity, heat, etc

Question 9

Question Type: MultipleChoice

Measurement of an organisation's carbon footprint uses which gas as a standard measure?

Options:

A- H₂O

B- CO

C- CO₂

D- CO₃

Answer:

C

Explanation:

A well-known measure of carbon footprint.

Procurement professionals are encouraged to incorporate environmentally-friendly thinking into their workplace activities and decision-making.

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