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# Question 1

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**Question Type:** MultipleChoice

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A common term for the win-lose style of negotiations is:

**Options:**

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A- Illustrative

B- Diminutive

C- Destructive

D- Distributive

**Answer:**

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D

**Explanation:**

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Distributive: at the other end of the spectrum from 'collaborative'.

## Question 2

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**Question Type:** MultipleChoice

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'When the supplier delivers the goods as ordered, two further documents are created.

- a) The supplier's XXX XXX, included with the goods
- b) The buyer's YYY YYY YYY'

Choose the correct replacement words.

### Options:

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- A- Delivery note, goods received note
- B- Purchase order, goods received note
- C- Formal quotation, terms and conditions
- D- Delivery note, service level agreement

### Answer:

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A

### **Explanation:**

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If it's included with the goods, it's likely to be a delivery note; and the buyer's equivalent would be a goods received note.

## **Question 3**

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### **Question Type: MultipleChoice**

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In which quadrant of a SWOT analysis would the following appear? 'Ageing workforce, strong trade union representation, under-trained procurement department'.

### **Options:**

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**A-** S

**B-** W

**C-** T

**D-** O

### **Answer:**

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B

**Explanation:**

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Weaknesses.

One might use a SWOT analysis when appraising potential suppliers for a significant purchase.

## Question 4

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**Question Type: MultipleChoice**

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When a proposal fits with organisational strategy / direction / values, this can be described as:

**Options:**

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A- Alignment

B- Adjournment

C- Accompaniment

**D-** Ailment

**Answer:**

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A

**Explanation:**

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When a company's goals, resources, plans are aligned we should hope for better performance. And when the employee's values are also aligned, it just gets better.

## Question 5

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**Question Type:** MultipleChoice

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What do we call it when a seller sets a low introductory price to win customers, or to discourage competitors owing to the low margins achievable in the marketplace? Choose one.

**Options:**

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- A- Cost mark-up pricing
- B- Competitive pricing
- C- Promotional pricing
- D- Penetration pricing

**Answer:**

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D

**Explanation:**

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The seller tries to penetrate the market, to build market share, depriving competitors of those sales, and hoping to retain the customers for future sales. This is penetration pricing.

'Cost mark-up' would be based on cost - add a certain amount to create the selling price. For example, in UK clothing retail often simply 100% added to the cost of the goods - simple, fast and hopefully sufficient to cover all costs, as well to enable the goods to sell. This approach hinges on effective buying, at the right cost.

Promotional pricing is a temporary price drop to encourage purchases of a particular product or range.

Competitive pricing would simply mean pricing at around the market level - monitoring market and competitor prices.

## Question 6

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**Question Type:** MultipleChoice

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The letters 'MEAT' stand for:

### Options:

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- A- Most economically advantageous tender
- B- Most environmentally advanced technology
- C- Most environmentally advantageous tender
- D- Main economically advanced tender

### Answer:

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A

### Explanation:

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MEAT: Most economically advantageous tender

An approach to tendering which takes account not only of the selling price, but also other relevant factors.



## Question 7

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**Question Type:** MultipleChoice

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Assume you calculate a selling price by adding a profit element onto costs. Assume the profit element is equivalent to 100% of costs.

Is mark-up or margin being described here?

**Options:**

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A- Margin

B- Don't know.

C- (Well take a guess then...)

D- Mark-up

**Answer:**

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D

**Explanation:**

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When price is discussed as a % of costs to be added on, the term is 'mark-up'.

## Question 8

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**Question Type:** MultipleChoice

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Win-win negotiation is not commonly described as a (choose the most appropriate):

### Options:

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- A- zero sum game
- B- someone game
- C- win some gain
- D- zero sum game

### Answer:

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D

### **Explanation:**

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Win-win negotiation is not a 'zero-sum game': the sum of the value achieved is greater than zero - fresh value is created. It is a 'positive sum game'.

## **Question 9**

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**Question Type:** MultipleChoice

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Which of the following are genuine pieces of legislation in the UK?

### **Options:**

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- A-** The Bribery Act 2010
- B-** The Freedom of Information Act 2000
- C-** All of them
- D-** Public Contracts Regulations 2015

### **Answer:**

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C

**Explanation:**

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All of them.

This QUESTION NO : is a bit of a gift for you, but you may wish to just think about the dates and the nature of the legislation. If there is any UK bias in your CIPS examination, this may be time well spent. For students based in the UK: these Acts are powerful and significant. At managerial level at least, one would wish to be familiar with the broad thrust of each of these, plus the implications of The Equality Act.

## Question 10

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**Question Type:** MultipleChoice

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In a reverse online auction:

**Options:**

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**A-** The highest bid wins

- B-** The seller sets up the auction
- C-** The lowest bid wins
- D-** No bid wins

**Answer:**

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C

**Explanation:**

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Bidders compete against each other, reducing bid prices until one winner is found - this is the sub-mission of the lowest-priced bid (unless stated otherwise in the auction documentation).

## Question 11

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**Question Type:** MultipleChoice

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The expression 'consideration' means:

### **Options:**

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- A-** Being over 18 and being of sound mind
- B-** Some form of valuable exchange
- C-** Being nice to people, in the expectation that they in turn will be nice
- D-** Taking time to think about the gravity of the contract you may be about to be entering into

### **Answer:**

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B

### **Explanation:**

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Consideration is one of the essential elements of a contract in English law, and it essentially means the exchange of something of value for something else of value, typically goods or services for money.

Normally it is the price to be paid in exchange for goods or services.

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