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Question 1

Question Type: MultipleChoice

Harry runs a hotel and has recently decided to contract an external supplier to provide the cleaning of the rooms. What is a disadvantage of doing this?

Options:

- A- This allows staff to focus on other areas
- B- There is dependency on the supplier, which increases risk
- C- The supplier will not perform as well as an internal team
- D- This will be more expensive than providing the service in house

Answer:

B

Explanation:

Using an external supplier always comes with increased risk, as you become dependant upon them, and have less control over their performance (compared to an in-house team). In this example Harry will have the increased risk that the contract cleaners turn up late to their shifts, or don't do a good job. However, there is no reason to believe that the supplier will not perform as well as an internal team- we don't have enough information from the Question: for this

to be true. What is true is the RISK is greater. The other answers are incorrect; the Question: doesn't indicate whether outsourcing the cleaning will be more or less expensive for Harry. Allowing staff to focus on other areas is an advantage not a disadvantage. See p.4 for more information on 'External Suppliers'

Question 2

Question Type: MultipleChoice

Which of the following relationship types are characterised by low levels of trust? Select TWO options

Options:

A- Adversarial

(Correct)

B- Arm's Length

C- Outsourced

D- Single- Sourced

E- Partnership

Answer:

A, B

Explanation:

Adversarial and Arm's Length relationships have low levels of trust. Single Source, Partnership and Outsourcing require high level of trust. See p.5 for the Supplier Relationship Spectrum

Question 3

Question Type: MultipleChoice

Red Manufacturing work with around 40 different suppliers. One of these suppliers is Blue Business. Red Manufacturing order regularly from Blue Business, and have never had any issues with their performance. The materials Blue Business supply are of low value and there are several other suppliers of these materials in the market. What type of relationship should Red Manufacturing seek to have with Blue Manufacturing?

Options:

- A- partnership
- B- single-source
- C- arms-length
- D- adversarial

Answer:

C

Explanation:

The correct answer is 'arms length'. This is a tactical purchase (as it is low value) and keeping the supplier at arms-length means that Red Manufacturing could possibly exploit them to reduce their prices (think back to the Kraljic matrix and where Blue Business would likely fall). A Partnership or Single- Source relationship requires investment into the relationship, and as the products are low value and Red Manufacturing have a lot of other suppliers, they should not be investing time in developing that relationship with Blue Business. An adversarial relationship wouldn't be advantageous as it may lower the performance of the supplier. See the relationship spectrum on p.5 - this is a hot topic for the exam

Question 4

Question Type: MultipleChoice

Polly Manufacturing is a company which manufactures bicycle parts. It has several factories around the country and is one of the leading suppliers of wheels, bells and pedals. Which of the following is Polly Manufacturing likely to outsource? Select TWO options.

Options:

- A- Manufacturing of all bicycle parts
- B- Manufacturing of bells only
- C- Facilities Management
- D- Cleaning

Answer:

C, D

Explanation:

They could outsource cleaning and facilities management. These are auxiliary services. The manufacturing of bike parts is their 'core' business so they should retain this in-house

Question 5

Question Type: MultipleChoice

Varying levels of commitment is one reason why many partnerships fail. Why is this?

Options:

- A- It can lead to a lack of trust
- B- One party doesn't fulfil their KPIs
- C- Sufficient time and resources are put in
- D- Less profit is made.

Answer:

A

Explanation:

The correct answer is 'It can lead to a lack of trust' -- this is a quote from p.162. The other answers are all incorrect; in a partnership KPIs are joint between the parties-- so there wouldn't be a situation where one party doesn't fulfil their KPIs. Commitment doesn't necessarily have a direct correlation with profit so that answer is incorrect. 'Sufficient time and resources are put in' is a positive thing, so can't be a reason who a partnership fails.

Question 6

Question Type: MultipleChoice

Which of the following are recognised organisational culture types? Select THREE

Options:

- A- Power
- B- Role
- C- Person
- D- Knowledge
- E- Team

Answer:

A, B, C

Explanation:

The correct answer is power, role and person. This is part of Hardyman's Cultural Types on p.169 (there are four- the other one is task). There's quite a few questions on this in the exam, so it's worth doing some additional research on this prior to the exam as the study guide doesn't provide much detail on this.

Question 7

Question Type: MultipleChoice

What is collaborative inertia?

Options:

A- the concept that the value and performance of two companies combined will be greater than the sum of the separate individual parts

- B-** A situation when the apparent output from collaboration is considerably less than expected
- C-** When a partnership is unable to create new ideas
- D-** Where a third party is invited to join a partnership.

Answer:

B

Explanation:

The correct answer is 'A situation when the apparent output from collaboration is considerably less than expected'. This is verbatim the definition given in the study guide on p.166 A synergy is the concept that the value and performance of two companies combined will be greater than the sum of the separate individual parts.

Question 8

Question Type: MultipleChoice

The use of technical jargon can result in what?

Options:

- A- Misunderstanding
- B- Lack of trust
- C- Increased price
- D- Lack of transparency

Answer:

A

Explanation:

Using technical jargon can lead to misunderstandings if not all parties understand the jargon. See p. 158 on communication issues

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