

Free Questions for INTE

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Question 1

Question Type: MultipleChoice

DEF, Inc. is in the ramp-up phase of a unique medical device. The device has a two-year life expectancy. The sales forecast for the ramp-up period is as follows:

Month Jul Aug Sep Oct Nov Dec Jan Feb

Unit Sales 100 150 200 600 1,400 2,200 4,000 10,000

Demand after February is expected to remain at 10,000 units per month for several months, then decrease gradually. The units are small, and thus maintaining an inventory of up to 10,000 units is possible.

There are only three suppliers capable of providing the specialized component critical to this product. The production capacities of these suppliers are as follows:

- * Supplier X has a capacity of 500 units per month at a cost of \$20 per unit, representing 80% of its total business
- * Supplier Y has a capacity of 2,000 units per month at a cost of \$20.50 per unit, representing 50% of its total business
- * Supplier Z has a capacity of 20,000 units per month at a cost of \$20.70 per unit, representing 10% of its total business

Two of these companies---Supplier X and Supplier Y---are minority businesses.

Given this situation, DEF should contract with

Options:

- A-** Supplier Z only, as it can best fulfill the forecasted demand
- B-** all three companies in a tiered system, with up to 40% from Supplier X and Y's total monthly business, and the remainder going to Supplier Z
- C-** Suppliers X and Y, and work with them to increase their production capability
- D-** all three companies in a tiered system, with up to 5,000 units from Supplier X, 20,000 units from Supplier Y, and the remainder from Supplier Z

Answer:

B

Explanation:

Contracting with all three suppliers in a tiered system allows DEF, Inc. to diversify its supply chain, supporting both minority businesses and ensuring capacity to meet demand. This strategy balances cost, supplier diversity, and risk management, aligning with best practices in supply chain management.

Question 2

Question Type: MultipleChoice

A cell phone retailer experiences excess inventory of a particular model due to errors in demand forecasting. In addition, remorse returns of this model are greater than anticipated. Which of the following is the BEST course of action the company can take to recover value from these assets?

Options:

- A-** Execute an online auction in the secondary market to resell the new devices and the remorse returns
- B-** Deploy a permanent e-commerce platform for the sale of the assets, as this will be useful for any future instances of excess and remorse return
- C-** Contract with a third-party specialist for the destruction of the returned assets and the resale of the raw materials that result
- D-** Use an e-commerce provider for the sale of the device using a revenue share and risk compliance model

Answer:

A

Explanation:

Conducting an online auction is an effective strategy for rapidly liquidating excess inventory and remorse returns. This approach maximizes recovery value by reaching a broad audience of potential buyers in the secondary market, addressing inventory concerns promptly and efficiently.

Question 3

Question Type: MultipleChoice

A firm has a 50% chance of receiving its daily purchases of fresh bread from a supplier in the event a regional flooding incident. The supply manager approaches two suppliers in geographic locations less likely to be disrupted by the event, and both agree to be ad-hoc suppliers. Their likelihoods of supplying in the event of the flood incident are 75% and 80% respectively. If the flooding event occurs, purchases would be sought from all three companies. Based on this information, what is the probability of the firm being supplied fresh bread during a major regional flooding event'

Options:

- A- 97.5%
- B- 80%
- C- 70%
- D- 99.5%

Answer:

D

Explanation:

The probability of receiving supplies from at least one supplier is calculated by considering the complementary probabilities of not receiving from each. The formula used is $1 - (1 - 0.5) (1 - 0.75) (1 - 0.8)$, resulting in a 99.5% probability of supply during the event.

Question 4

Question Type: MultipleChoice

An ERP purchasing module indicates a gross requirement of 100 units for part number A123. There is an open purchase order for 55 units. The item master for this supplier shows an order lot size of 30 units each. In this situation, how many units of this part will the exception report indicate should be ordered?

Options:

A- 60

B- 100

C- 45

Answer:

C

Explanation:

With a gross requirement of 100 units and an open order for 55 units, 45 additional units are needed. Given the lot size of 30 units, the exception report would indicate ordering 45 units to meet the requirements.

Question 5

Question Type: MultipleChoice

XYZ, Inc. is a company based in the United States. XYZ purchases a large quantity of raw materials from a supplier in the Dominican Republic. The supplier packages the materials and delivers them to the shipping company designated by XYZ and loads them onto the ship. The contract specifies Free Carrier At (FCA) Caucedo, Dominican Republic. While the ship is still in port, a hurricane damages the ship and ruins its cargo. Under Incoterms 2020 rules, who owns the shipment at this point?

Options:

- A- The supplier, because it has not yet been delivered to the plant
- B- The supplier, because it has not yet been unloaded
- C- The buyer, because the invoice has been paid
- D- The buyer, because the supplier delivered it to the designated carrier

Answer:

D

Explanation:

Under FCA (Free Carrier At) terms per Incoterms 2020, the risk transfers to the buyer once the goods are delivered to the carrier. Since the goods were loaded onto the ship designated by the buyer, the buyer assumes responsibility for any damages occurring thereafter.

Question 6

Question Type: MultipleChoice

A manufacturing firm prepares the following materials requirement plan (MRP):

Master Production Schedule

Week 1 2 3 4 5 6

Item A 10 10 15 15 20 20

Relevant Information

Item Item's Parent Item's Lead Time Item's Lot Size Item's Current Inventory

A None 1 week LFL 50

B A 2 weeks 50 10

C B 2 weeks 50 10

Using MRP methodology, how much of Item B should be ordered, and when should it be ordered?

Options:

A- 50 items immediately and 50 items in week 3

B- 20 items in week 4 and 20 items in week 5

C- 10 items in week 2 and 20 items in week 3

D- 50 items in week 2

Answer:

D

Explanation:

According to MRP, with a lead time of 2 weeks for Item B and current inventory insufficient to meet future demands, ordering 50 items in week 2 ensures availability for production needs in weeks 4 and beyond, following the lot-for-lot (LFL) order policy.

Question 7

Question Type: MultipleChoice

A disaster response manager plans to deliver pallets of bottled water to volunteers at a disaster site. The water comes from a nearby bottling company at a preferential cost of \$50 per pallet. The number of pallets of bottled water needed is impossible to know in advance due to numerous variables, although experience indicates that the likelihood of consumption is equal: a 25% chance each for 1, 2, 3 or 4 pallets of bottled water. If a full pallet is returned, a restocking fee of 520 is charged. If not enough water is brought in, the cost of purchasing a pallet of water on location is expected to be \$200.

How many pallets should the manager deliver?

Options:

A- 3 pallets

B- 1 pallet

C- 2 pallets

D- 4 pallets

Answer:

C

Explanation:

Delivering 2 pallets optimizes cost-effectiveness based on the probabilities of usage and potential costs of over- or under-supply. This number balances the likelihood of demand with the costs associated with restocking and emergency purchases, minimizing overall expenditure in uncertain conditions.

Question 8

Question Type: MultipleChoice

Which of the following is a key requirement of xRP?

Options:

- A- Data integrity
- B- Supplier consolidation
- C- Smoothing algorithms
- D- Should-cost data

Answer:

A

Explanation:

Data integrity is essential for any extended Resource Planning (xRP) system. Accurate and reliable data ensures effective planning, decision-making, and resource allocation across the supply chain. Maintaining data integrity minimizes errors and supports overall operational efficiency.

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