

## [Aug 12, 2023 Get Free Updates Up to 365 days On Developing L4M8 Braindumps [Q15-Q33]



[Aug 12, 2023] Get Free Updates Up to 365 days On Developing L4M8 Braindumps  
Best Quality CIPS L4M8 Exam Questions

**Q15.** What is the retention of title clause also known as?

Retention of title (ROT) states when ownership transfers from supplier to buyer.

The retention of title terms also referred to as the Romalpa clause, which is related to a legal case from 1976 between Aluminum industries Vaassen BV and Romalpa Aluminum LTD

**Q16.** Research the ethical standard or accreditation of an industry with which you are familiar.

If a supplier is accredited or is a member of an association that promotes good ethical conduct, a statement to this effect is likely to be featured on its company documentation. This could be in a form of letters after the organization name or the authorized use of logo.

Accreditation information should be verified by procurement professionals either asking organization for certification to prove membership or accreditation or checking on a professional register.

Below are associated bodies that form some industries.

1. ISO 14001 &#8211; for quality management
2. CIPS &#8211; for procurement and Supply
3. Red Tractor &#8211; NGO Registered in the UK, promoting human right
4. Amnesty International &#8211; human right
5. Carbon Trust &#8211; For Carbon neutral status.

\*

Refer to the question column for response

**Q17.** Describe four factors that could damage reputation within the supply chain

The reputation of all the organizations within a supply chain is linked. A Company's reputation is an intangible asset that can contribute to the failure of an organization if damaged. Factors that could damage organizational reputation within the supply chain are;

1. Quality: if the product or service quality is poor the organization may not satisfy its customers and this can lead to a loss of reputation in the market. For example, a residential building construction company contracting a supplier that would do a bad job which in three months may require home owners to reinstall new doors.
2. Sustainability: if the organization is not replenishing that which it is extracting, it will some day run out of business or probably lose loyal customers. For example a drilling company that spills hydrocarbon as it drills.
3. Fit for purpose: if an organization produces a product or carries out services that are not fit for purpose, it may run at a loss for there will be so much rejection and rework. This can lead to customers switching to another organization whose products or services are fit for their purpose.
4. Contract management: an organization will have to manage its suppliers and the contracts to ensure they are delivering what they were contracted to do. A poor contract management is a waste in the process of delivery that can lead to reputational loss.

**Q18.** Explain why you think quality should be investigated before working with potential supplier?

Quality is fitness for purpose. It is important that quality is investigated by procurement professionals before forming a relationship with potential suppliers.

If quality is not investigated before selecting a supplier the organization might stand the risk of facing the following disadvantages; Reputational Damages Cost of Rework Cost of Downtime Cost of Material Cost of being stocked with the wrong supplier Cost of being stocked in a project that may not come to an end at the forecasted time.

How a buyer can choose a supplier with a good quality culture is first by defining the quality of the product or services to be carried out. Having knowledge of the product or service quality, suppliers can rightly select and evaluate a supplier with total quality management (TQM) in their system, ISO 9001 accreditation. TQM includes everyone in the organization with knowledge on the required quality; there would be little or no rejection/reworks. Thus is an added value to the organization.

**Q19.** What matrix helps to define how to manage stakeholders?

Stakeholders are individuals or organizations who are directly affected by a decision for example, community, shareholders, employees, suppliers, distributors, customers etc. stakeholders can be internal (employers, staffs), connected (such as suppliers, shareholders, financiers and customers) external (Government, pressure groups, and community).

The matrix that helps define how to manage stakeholders is Mendelow's stakeholders management matrix. This matrix is based on the theory that the level of management stakeholders require depends on the level of their power and interest within the project or organization. The matrix groups stakeholders into four quadrants according to their power and interest and advises how to manage them.

- 1) Low power & Low interest (minimum effort)
- 2) Low power & High interest (keep inform)
- 3) High power & Low interest (keep satisfied)
- 4) High power & high interest (manage closely)

**Q20.** Why is it important to keep ethical codes of practice up to date?

A code of ethics is a set of morals and principles set out by an organization to state what it deems to be acceptable conduct and behavior. An ethical code of practice is a continually changing and developing document with society changing and different suppliers coming to market, the document has to remain current. Suppliers should continually monitor their codes of ethics to ensure that;

1. They are looking after the interest of the supply chain
2. That potential customers can be reassured that they are conforming to the required regulation, e.g. ISO 14001.

Ethical code of conduct should be constantly monitored and updated in accordance with the changes organization faces. This includes:  
1) Define (2) prevent (3) detect (4) reprove (5) evaluate.

**Q21.** Which theory relates to the 3Ps

Trying to measure how sustainable an organization was used to be challenging undertaking. However, during the 1990s, a concept brought up by American John Elkington changed the way sustainability was measured. This framework is known as the triple bottom line (TBL) and measures sustainability in relation to organizational performance and investment against the 3Ps (1) Profits (2) People (3) Planet. For example; Profit: A packaging manufacturer reinventing its profits in a state-of-the-art recycling machinery for its wasted cardboard.

People: A large privately owned call centre donates its end-of-life computers to a local youth club and social groups to help gain internet access.

**Q22.** Describe the seven stages of the Tender Process and explain the reasons why the stages must be followed.

The purpose of the tendering process is to invite potential suppliers to bid to supply a product or service to the buying organization. Then the buying organization selects suitable suppliers, awards contracts and manages them. The process is selected mostly when the need is a large or complex project or the law mandates it or it is in the company's policies to do so. The stages of the tendering process include:  
Stage 1: decide which style of tender to use. There are four types of tendering used within procurement and these include: 1) open 2) Restricted 3) Negotiated 4) Competitive Dialogue  
Stage 2: Prepare invitation to tender (ITT): this stage is to prepare the document that will be made available to potential suppliers. It should contain everything potential bidders will need to know to fully understand the need and to prepare and send a suitable RESPONSE. It may likely include: open letter, company details, overview of a project, evaluation criteria, submission date and so on.

Stage 3: send ITT: With fairness, transparency and equality, buyer will provide the documents to all potential suppliers at the same time and also provide exactly the same information/documents to all suppliers. If after receiving the ITT and some suppliers seek clarifications on anything in the documentation, buyers must give same response to identical questions to keep the process transparent and fair. Also, the response to each query to all bidders in the process.

Failure to this may result in bidders who feel disadvantaged or discriminated in any form to submit a legal challenge. Supplier submitting a Legal challenge may cause delay in the process and eventually increase administrative cost for the buyer.

Stage 4: Buying organization receives responses to the Invitation to tender from suppliers (bids). Suppliers must adhere to the bid submission dead line included in the invitation to tender document. Any bid that arrives after the deadline must be left out of the process, or else this may result to other suppliers legally challenging the process.

Stage 5: Evaluate bid. The buying organization can now evaluate the bids based on the criteria in the ITT document. It is always thorough that cross-functional team evaluates the bids to guarantee complete fairness and ensure that the chosen bid is fit for purpose. In evaluating the bids, the cross-functional team will consider the bids in the following areas; supplier organization, ethics, price, sustainability, quality, payment, disposal, service level, location, warranty and risk.

Stage 6: Award contract and give feedback hence the buying organization awards the contract to the winning supplier. This can take place by a formal communication like a letter or an e-mail.

Stage 7: Contract management. Contracts must be evaluated against the criteria in the invitation to tender.

The reasons why these stages must be followed includes;

1. Knowing the right TYPE of tender to use, reduces administration cost, for example, deciding to do restricted tendering to reduce the interest that are going to be sent in have already cut down on administrative cost.
2. The supplier can know what exactly the buyer's intentions are by developing description and the required specification.
3. To ensure that objectives of resorting to use the tendering style and the tendering process is achieved
4. To ensure that the organization generates added value by going through the stages.
5. To ensure that there are none unethical issues like fraud, bribes etc are not part of the system.
6. To ensure that the tendering process becomes transparent to all suppliers. These stages must be followed for transparency and fairness. Just like in stage 3: buyer send out the ITT to potential suppliers at the same time and providing them same information. Failure to this and bidders who feel disadvantaged or discriminated in any form may submit a legal challenge. Supplier submitting a Legal challenge may cause delay in the process and eventually increase administrative cost for the buyer.

**Q23.** What is a cross function team?

A cross-function Team is the involvement of all departments that are in an organization to contribute knowledge, skills and innovation towards adding value to achieving the organization's strategic goal. Example, procurement, maintenance, marketing, finance, human resources working together in procurement activity to come up with the best strategy or selecting the supplier that best suit the organization.

When working in a cross-functional team, members of the organization give support by believing in the end goal, assist during difficult time, help troubleshoot any issue, providing the required resources and sharing information

**Q24.** What are the reasons that a contract can legally be terminated?

A contract is written or verbal agreement, made between two or more parties that are legally enforceable. For a contract to be legally binding it must include intention of parties entering into the contracts. All parties must have the capacity to contract or be contracted. They must be of a sound mind, there should be a promise (offer) for performance from the other party and an exchange (consideration) of one thing for another within an agreement for contract to be binding, there must be an acceptance of the offeror's offer by the offeree.

There are many reasons contract can legally be terminated, including non-performance by one or both parties, a significant change in the requirement.

There are several reasons contract can legally be terminated, including non-performance by one or both parties; breach of material, failure to meet service level agreement, ethical breaches, a significant change in the requirement of either party caused by ethical change in the market, change in Demand, obsolescence, contract completion. The procurement professionals should get an exit strategy that should encourage a stress free disengagement should incase there are no profitable reason to continue with the contract.

**Q25.** Which four procurement cycle stages happen after the award of the contract?

The procurement cycle is the heart of purchasing, sourcing and supplying and should be followed in day-to-day practice in the industry. The procurement cycle has thirteen stages. Contract award is stage 9, and the stages after the contract award are; Stage 10: ware house, logistic and receipt Stage 11: Contract performance review and continuous improvement Stage 12: SRM/SCM and contract management Stage 13: Asset management, lessons learned, end of life.

**Q26.** What is CSR policy?

Corporate Social responsibility (CSR) policies state how organizations aim to contribute towards the community and how an organization portrays itself towards social impacts.

**Q27.** What does the acronym SMART stand for?

When the procurement professional is setting key performance indicator (KPI) where which the supplier performance will be monitored and managed. The KPI is expected to be SMART. SMART is an acronym that is used to set KPI and specification.

S ; specific ,

M ; measurable,

A ; achievable,

R ; relevant, and

T ; timebound.

**Q28.** Justify which of the five approaches to condition performance monitoring you think is the most cost effective within whole life asset management.

Condition performance monitoring is a surveillance system that is designed to get the maximum production uptime and availability out of an asset. And this can be achieved by timely monitoring and measuring of temperature, vibration, output, speed, noise, emissions and quality. With this, decision has to be made as to what, if any, action needs to be taken. The five approaches to condition performance monitoring are as follows:

1. Do nothing: Use like a commodity. This will bring worries later.
2. Reactive: Fix it when it breaks. This will run to failure.
3. Preventive: Scheduled maintenance.

4. Predictive: Fix it before it breaks. Predict faults.

5. Proactive: Continuous improvement defect elimination.

The most cost-effective approach is **Proactive**, because is the only approach that has continuous improvement in the process, people and policies to minimize downtime. Being proactive takes defect out of the system and continuously harness opportunity that will optimize the system

**Q29.** What is depreciation and deterioration?

When an organization want to purchase an asset, it considers the depreciation and deterioration in the whole life of the asset and how it will be manage.

Depreciation is the reduction in value of a tangible and a fixed asset over time. The purpose of calculating the depreciation of the asset is to give the organization a fair and current view of what the asset is worth at a particular time. Depreciation is a way of converting the cost of an asset into an expense over a period of time. Depreciation is a permanent feature listed against an asset throughout its life time and it based on wear and tear, reduction in performance and reduction in value.

Deterioration is the process of something becoming lower in quality or performance. The longer the asset can last without deteriorating the better value the asset represents.

**Q30.** What happens in the public sector, regarding providing feedback?

A sector is an area of an industry, e.g., private, public or third sector.

A public sector is a sector of the economy that is owned, finance and run by the government. This sector is financed with tax payer's money. And therefore owe the general public an ethical explanation towards all investment and decision.

Once the supplier that is awarded the contract has accepted, the buyer can tell the unsuccessful bidders. This usually happens through email or letter. The public sector is more likely to give feedback to unsuccessful bidders and also have to respond to any stakeholders that request information on why a supplier is not successful.

**Q31.** What effect is technology having on jobs within an organization with which you are familiar with?

With the ever developing use of technology, organizations are often under pressure to keep up with numerous technological advances. Jobs could be created in line with technology. Advances in technology can also results in lack of requirement for human impact and as such, jobs could be lost. Though it can help save time and retain bulk files in no space.

**Q32.** Describe three ways in which a supplier could improve the effect its company has on the environ-ment.

Responsible and ethical sourcing promotes working with suppliers who want to have a positive effect on the environment or at least minimize the damage they cause. Suppliers can make effort to reduce their impact on the planet through reducing the pollution, taking steps to recycle or reuse products can improve on supplier's impact on the environment, also supplier can consider sustainability as another environmental factor. Suppliers with strong values on ethics will have a programme to return anything taken from nature in the form of replanting or replacing.

**Q33.** Write down a list of assets that belong to an organization with which you are familiar.

Assets are things that an organization owns regarded as having value and available to meet debt and generate revenue. The following are list of assets owned by Fullpower project, a shoe manufacturing firm;

1) Machinery,

2) a factory,

- 3) an innovative software,
- 4) skills of its personnel,
- 5) land,
- 6) Distribution network.
- 7) Its long time relationship with experienced suppliers of raw materials and Distributors of finished shoes.

**CIPS Exam Practice Test To Gain Brilliant Result:** [https://www.braindumpsit.com/L4M8\\_real-exam.html](https://www.braindumpsit.com/L4M8_real-exam.html)