

## CIPS.L4M4.v2025-08-20.q80

Exam Code:	L4M4
Exam Name:	Ethical and Responsible Sourcing
Certification Provider:	CIPS
Free Question Number:	80
Version:	v2025-08-20
# of views:	123
# of Questions views:	800
<a href="https://www.freepdfdumps.com/CIPS.L4M4.v2025-08-20.q80.html">https://www.freepdfdumps.com/CIPS.L4M4.v2025-08-20.q80.html</a>	

### NEW QUESTION: 1

What is the best way to demonstrate that your organisation does not tolerate bribery and corruption?

- A. Not working with suppliers who you have heard have a reputation for bribery and corruption
- B. Requesting your supplier's ethical policies on an annual basis
- C. Having full anti-bribery training, policies, and procedures in place
- D. Asking all suppliers to read your organisation's policy on anti-bribery and corruption

**Answer: (SHOW ANSWER)**

Implementing full anti-bribery training, policies, and procedures demonstrates a proactive stance against bribery and corruption. Ethical sourcing principles encourage organisations to institutionalise comprehensive anti-bribery measures to ensure transparency, fairness, and compliance within the supply chain, reducing the risk of corrupt practices.

### NEW QUESTION: 2

Which of the following financial documents would show whether a supplier has sufficient funds to pay their subcontractors in the short term?

- A. balance sheet
- B. ESG policy
- C. profit and loss account
- D. cash flow statement

**Answer: (SHOW ANSWER)**

A cash flow statement shows the money coming in and out. This would therefore show whether a supplier has enough money coming in, to be able to pay some of it out to a subcontractor.

P&L and Balance Sheets look more broadly at finances, rather than saying what's physically in the bank at a specific given time.

Do learn the difference between these three financial documents for the exam.

Balance Sheet: Explanation, Components, and Examples (investopedia.com) Profit and

Loss Statement Meaning, Importance, Types, and Examples (investopedia.com) Cash

Flow Statement: How to Read and Understand It (investopedia.com)

### **NEW QUESTION: 3**

When selecting a supplier on technical merit, its important that the supplier is a good 'functional fit' for the organisation. What is meant by 'functional fit'?

- A. the supplier is able to adhere to the same ethical standards
- B. the supplier is able to work at the same technical level as the buyer
- C. the supplier shares a common supply chain
- D. the supplier makes a similar profit to that of the buyer

**Answer: B (LEAVE A REPLY)**

The correct answer is 'the supplier is able to work at the same technical level as the buyer'. It's about being able to integrate the businesses together in terms of IT systems and such like.

### **NEW QUESTION: 4**

Roberto is running a tender in which his main concern is price. However he is keen to hear also about the companies' Corporate Social Responsibility Policies and how this will impact their delivery. Roberto is considering awarding the CSR question 4 points in a weighted point system. If he does this, what weight should be given to the price?

- A. 4
- B. 5
- C. 8
- D. 96

**Answer: (SHOW ANSWER)**

96 is the correct answer- weighted point systems should add up to 100 (as in 100%)

### **NEW QUESTION: 5**

A buyer is only interested in working with suppliers who have strong Environmental and Social Governance practices. It is therefore using ethical criteria as supplier selection stage to determine which suppliers to work with. Which of the following statements is true?

- A. compliance with Codes of Conduct from professional bodies is mandatory
- B. ethical behaviour is impossible to determine as issues such as Modern Slavery often go undetected
- C. the buyer should ask suppliers to be accredited to ISO9001

a supplier who follows the CIPS Code of Conduct is more likely to meet the buyer's needs

**Answer: C (LEAVE A REPLY)**

A supplier who follows the CIPS Code of Conduct is more likely to meet the buyer's needs is the correct answer.

The other options are wrong:

- 1) Compliance with Codes of Conduct from professional bodies is optional. E.g. CIPS - no organisation is forced to comply with CIPS.
- 2) Unethical behaviour is not impossible to detect, it may be difficult but with correct due diligence and things like audits it's completely possible
- 3) ISO 14001 is quality management so is irrelevant.

#### **NEW QUESTION: 6**

Which of the incoterms listed are suitable for transporting goods via train?

- A. FAS
- B. FOB
- C. CRF
- D. EXW

**Answer: D (LEAVE A REPLY)**

EXW- exworks is a suitable incoterm for transporting goods both by rail and boat. It can be used regardless of the mode of transport.

The other three are for transport over water. P. 143 Shipping Incoterms: the Complete Guide - Guided Imports Some students report a lot of questions on Incoterms in the exam, some say they only had 1. Best bet is to learn them if you possibly can.

#### **NEW QUESTION: 7**

Sourcing aims to achieve the best value for money by taking into account several factors. Freddy is sourcing a new component for his company which manufactures tractors. Should Freddy take into consideration ethics and sustainability?

- A. yes- ethics and sustainability form part of 'value for money'
- B. yes- ethics and sustainability show that the products are fit for purpose
- C. no- 'value for money' is concerned with achieving the lowest price
- D. no- 'value for money' only concerns price and if the product is fit for purpose

**Answer: A (LEAVE A REPLY)**

"yes- ethics and sustainability form part of 'value for money' " is the correct answer.

There are several factors that represent value for money and these are listed on p.3.

These include; price, delivery, quality, ethics, sustainability and availability.

#### **NEW QUESTION: 8**

What information would you expect to find on a supplier's response to a 'Request for Information'? Select TWO

- A. detailed information regarding their costing structure
- B. their ethical and sustainability policies
- C. their capability and capacity to fulfil a contract
- D. their marketing strategy

**Answer: A,C (LEAVE A REPLY)**

A RFI typically finds the following information from potential suppliers; ethical and sustainability policies and their capacity / capability to fulfil a contract. It could also include financial position, mission and vision.

**NEW QUESTION: 9**

Incoterms are designed to be understood and interpreted on a worldwide basis. What is the interpretation for FOB (Free on Board)?

- A. The buyer takes responsibility for the goods after they are loaded on the ship, plus all subsequent costs, including freight charges
- B. The buyer takes responsibility for the goods after they are loaded on the ship, plus subsequent costs, excluding freight charges
- C. The buyer takes responsibility for taking the goods from the departure quayside to the ship, plus all subsequent costs
- D. The buyer takes responsibility for transferring the goods from the seller's premises to the ship, plus all subsequent costs

**Answer: A (LEAVE A REPLY)**

Under FOB (Free on Board), the buyer assumes responsibility once the goods are loaded onto the ship, including costs and risks beyond this point. This Incoterm is commonly used in international trade, helping both parties clarify responsibilities and promote fair risk distribution.

**NEW QUESTION: 10**

Credit rating agencies can assist procurement professionals. Typically, which of the following can be obtained from a credit rating agency report? Select TWO that apply.

- A. Product pricing information
- B. Payment history
- C. Financial stress score
- D. Tender submission pricing
- E. Rebate information

**Answer: (SHOW ANSWER)**

Payment history and financial stress scores provide insights into a supplier's financial health and stability.

This information is crucial for procurement professionals in assessing whether a supplier can fulfill long-term commitments, supporting responsible sourcing by mitigating financial risks.

**NEW QUESTION: 11**

Which of the following payment mechanisms is most beneficial to the buyer?

- A. open/ credit account
- B. term / time draft
- C. sight draft

D. cash in advance

**Answer: A (LEAVE A REPLY)**

Open account (aka credit account) is most beneficial to the buyer. The supplier delivers the goods then the buyer pays.

Cash in advance is most beneficial to the supplier. The buyer pays for the item before receiving it.

This is a known exam topic.

### **NEW QUESTION: 12**

A procurement manager has a new contract to award. They know there will be considerable interest from potential suppliers, as there are approximately twelve companies in the market. Which of the following is a benefit of using a full competitive tendering process for this new contract?

- A. All suppliers will know how much the others have bid
- B. Only the procurement manager can decide who wins
- C. All bidders will be treated equally
- D. It is a quick and informal process

**Answer: C (LEAVE A REPLY)**

A full competitive tendering process ensures fairness by treating all suppliers equally, allowing them to compete on a level playing field. This aligns with ethical sourcing principles, especially in the public sector, where transparency and equal opportunity are paramount.

### **NEW QUESTION: 13**

Which of the following is an example of intracompany trading? Select TWO

- A. a manufacturer in the UK buys raw copper from a supplier in Chile
- B. two companies owned by the same entity conduct business
- C. two companies join together to create a new product
- D. two departments within the same company collaborate on a project
- E. cleverness

**Answer: B,D (LEAVE A REPLY)**

Intracompany trading is when two departments in the same company do trading. AND when two companies owned by the same parent company do trading.

INTRA means 'within' - so it's doing business with yourself.

### **NEW QUESTION: 14**

FTSE100 and Sensex are examples of what?

- A. stock markets
- B. commodity indices
- C. financial reports
- D. public sector organisations

**Answer: A (LEAVE A REPLY)**

they are stock markets.

What is the FTSE 100 Index? Complete Beginner's Guide (moneycheck.com)

BSE SENSEX - Wikipedia

**NEW QUESTION: 15**

Which of the following is a UK legislation concerning product safety?

- A. Enterprise Act 2002
- B. Consumer Rights Act 2015
- C. GDPR 2018
- D. Competition Act 1998

**Answer: B (LEAVE A REPLY)**

The Consumer Rights Act 2015 is about product safety and making sure products sold on the market are fit for purpose. It gives buyers rights and protections. The Consumer Rights Act 2015 - Citizens Advice There's a long list of legislation on p.105. I wouldn't worry about memorizing them all but just have an idea of what legislation relates to what area. E.g. GDPR is about Data Protection and the Com-petitions Act is about Marketplace competition. Most of them are quite obvious from the name.

**NEW QUESTION: 16**

A business may be faced with the challenge of deciding whether to source some of its requirements from external suppliers or whether to make them internally. Which of the following factors is likely to justify the decision to make the requirements internally?

- A. The other suppliers are using older technology
- B. The availability of in-house competencies and capacity to carry out the production
- C. External suppliers are likely to be overcharging
- D. External sourcing involves cumbersome tendering procedures

**Answer: B (LEAVE A REPLY)**

Internal production is often justified when a company has the necessary competencies and capacity. This approach aligns with responsible sourcing by leveraging internal capabilities for better control over quality, cost, and compliance with ethical and environmental standards.

**Valid L4M4 Dumps** shared by Actual4test.com for Helping Passing L4M4 Exam!  
Actual4test.com now offer the **newest L4M4 exam dumps**, the Actual4test.com L4M4 exam **questions have been updated** and **answers have been corrected** get the **newest** Actual4test.com L4M4 dumps with Test Engine here:

Special Discount: **Freepdfdumps**)

**NEW QUESTION: 17**

A buyer has discovered their supplier has taken the passports of some of their workforce. The supplier has offered the buyer a discount against the contract, but the discount only applies if the buyer does not report this finding. Which ethical concerns should the buyer report to the necessary stakeholders?

- \* Fraudulent activity
- \* Bribery
- \* Modern slavery
- \* Breach of confidentiality

- A. 2 and 3 only
- B. 1 and 3 only
- C. 1 and 4 only
- D. 2 and 4 only

**Answer: A (LEAVE A REPLY)**

The withholding of passports is a potential indication of modern slavery, and the offer of a discount to avoid reporting this is a form of bribery. Reporting these ethical concerns aligns with responsible sourcing practices and is critical for maintaining a supply chain free from human rights abuses.

**NEW QUESTION: 18**

Scott is a procurement manager who is evaluating a bid from a supplier to provide a new IT system to his office that will be used by 100 employees. He is considering the total life-cycle costs. Which of the following should Scott consider? Select THREE

- A. Added value
- B. Maintenance
- C. Acquisition Costs
- D. Training
- E. Functional Fit

**Answer: A,C,D (LEAVE A REPLY)**

total life-cycle costs include; acquisition costs, maintenance and training.

Added value and functional fit are quality criteria that should also be evaluated when selecting a supplier, but do not fall under total life-cycle costs.

Note: total life cycle costs and whole life asset management are the same thing. You may see both terms used in the exam. I think CIPS is moving more towards Whole Life Asset Management now as the preferred vocabulary but they're the same thing.

**NEW QUESTION: 19**

A procurement manager of a medium-sized company has suggested to their executive board that implementing an ISO environmental standard would improve procurement practices and reduce environmental and social impacts. However, some colleagues are concerned about the potential complexity and supplier resistance. Should the company go ahead with the recommendation?

- A. Yes, as it would align with, and help to achieve, sustainability goals
- B. No, ISO standards are too complex for staff and suppliers to understand and follow
- C. No, because ISO standards are only relevant to large organisations
- D. Yes, implementation would guarantee that the company is compliant with all environmental laws

**Answer: A (LEAVE A REPLY)**

Adopting ISO environmental standards aligns procurement practices with sustainability goals and helps reduce environmental and social impacts. Although implementing ISO standards may require initial adjustments, they foster long-term benefits by promoting responsible and ethical sourcing practices across the supply chain.

#### **NEW QUESTION: 20**

Which of the following incoterms relate specifically to transporting items over water?

- A. ex works
- B. delivered duty paid
- C. cost and freight
- D. delivered at place

**Answer: C (LEAVE A REPLY)**

cost and freight is specific to transport over water. The others relate to all types of transportation.

Incoterms\_2020\_chart | Intersped

Some students report a lot of questions on Incoterms in the exam, some say they only had 1. It real-ly is luck of the draw.

#### **NEW QUESTION: 21**

In the Public Sector, what is the evaluation criteria most often used when evaluating bids from suppliers?

- A. Most Economically Advantageous Tender
- B. Best Value for Money
- C. Cheapest Overall Tender
- D. Best Business Fit

**Answer: A (LEAVE A REPLY)**

Most Economically Advantageous Tender (MEAT) is the Public Sector's go to evaluation criteria.

NOTE that this is changing from October 2023. Public Sector Procurement is currently based on legislation called PCR 2015 which itself is based on EU Procurement Directives.

Now the UK has officially Brexited, we're making our own laws and the new Procurement Bill will be coming into effect in November 2024. One of the major changes is that MEAT is changing to MAT (most advantageous tender - without the economical bit).

If you're sitting this exam until July 2024- you're fine- learn what the study guide says. If you're taking the exam from November 2024 I'm not sure what students are expected to do. The entire section on public sector procurement is incorrect for you. My best guess is CIPS may remove questions this section as the study guide will be wrong, but I really don't know how they plan to handle this.

The new Procurement Bill - MEAT to MAT - Hempsons - Hempsons

### **NEW QUESTION: 22**

Incoterms describe several aspects and responsibilities of transporting goods when sourcing internationally.

Which of the following is described by Incoterms? Select THREE.

- A. which party arranges insurance
- B. what form of transportation will be used
- C. how much the transportation will cost
- D. who is responsible for making duty and tariff arrangements
- E. how long the transportation will take

**Answer: A,B,D (LEAVE A REPLY)**

Incoterms describe who out of the buyer and seller; organises transport and what type of transport this is, who pays for insurance, and who organises duty / tariff arrangements when the goods go through customs. See p.

131. Note- some students report a lot of questions on Incoterms in the exam, some say they only had 1. If you can, I'd learn them just to be safe.

### **NEW QUESTION: 23**

Damian is a procurement professional in the Public Sector. He has recently run a competition to source new uniforms for hospital staff and has decided on a suitable supplier. Should Damian conduct post tender negotiation with the supplier?

- A. yes- post-tender negotiation may result in a lower price and thus better value for money
- B. yes- all tender processes should include post-tender negotiation
- C. no- this isn't necessary as Damian has selected the most appropriate supplier
- D. no- it would be against the law for Damian to do this

**Answer: (SHOW ANSWER)**

Damian works in the Public Sector- it is against the law for the public sector to conduct 'post tender negotiation' after a contract has been awarded. This is because it's not transparent and equal opportunities, which are founding principles of public sector procurement.

Private sector can do whatever they want. They can do post-tender negotiations.

NOTE: this is currently the rules as per Public Contract Regulations 2015. These are being superseded in October by new legislation. The study guide doesn't mention this, but it's happening. At the time of writing (January 2023) we don't have the full details about what the new rules are but I doubt they will change on this particular topic. You can find out more about the changes to Public Sector Procurement here: Transforming Public Procurement - GOV.UK ([www.gov.uk](http://www.gov.uk))

#### **NEW QUESTION: 24**

Which of the following characteristics are likely to be required within sourcing processes undertaken in the public sector?

- \* An emphasis on long-term supplier relationships where possible
- \* Maintaining service levels within value and cost parameters
- \* All dealings between buyers and suppliers are kept confidential
- \* A competitive tendering process is usually encouraged

- A. 2 and 4 only
- B. 1 and 2 only
- C. 2 and 3 only
- D. 1 and 3 only

**Answer: (SHOW ANSWER)**

Public sector sourcing prioritises maintaining service levels within budget constraints and often mandates competitive tendering to promote transparency and fairness. These principles align with ethical sourcing practices, ensuring responsible expenditure and fair competition among suppliers.

#### **NEW QUESTION: 25**

Luke has sent out a Request for Information to test the waters of the supply market for a new product he is sourcing. He has received a high number of detailed documents back from suppliers. Which of the following is Luke now likely to know about the marketplace? Select THREE

- A. acceptable lead times
- B. amount of product competition
- C. expected changes in the marketplace
- D. exact costs of the item he's procuring
- E. samples of the product

**Answer: A,B,C (LEAVE A REPLY)**

The correct answers are; lead times, product competition and changes in the marketplace. You wouldn't expect to receive samples or costings from a Request for Information - rather, these should be expected as part of the Tender Competition

#### **NEW QUESTION: 26**

Which of the following is true for CIPS members who sign and comply with the CIPS Code of Conduct?

Members can ...

- \* gain an understanding of ethical and successful business operations
- \* acquire automatic entitlement to government sponsorship
- \* enjoy continued CIPS membership and access to resources
- \* bypass the need to comply with other voluntary or legal codes

- A. 1 and 2
- B. 2 and 3
- C. 1 and 4
- D. 1 and 3

**Answer: (SHOW ANSWER)**

CIPS members who adhere to the CIPS Code of Conduct gain insight into ethical business practices and retain their membership and access to CIPS resources. This commitment to ethical standards supports responsible sourcing by fostering a community of professionals who value integrity and best practices.

#### **NEW QUESTION: 27**

In which instance would multiple sourcing be the most applicable approach?

- A. Sourcing for the provision of a service, where close relationship management is required
- B. Sourcing a specialised, unique component where the supplier's knowledge is key
- C. Sourcing for high-cost, strategically important components
- D. Sourcing for components required at short notice

**Answer: (SHOW ANSWER)**

Multiple sourcing is particularly advantageous for ensuring quick delivery and preventing stock-outs, as it provides the flexibility to source from multiple suppliers. This approach aligns with responsible sourcing by ensuring continuity and reducing risks in the supply chain.

#### **NEW QUESTION: 28**

What course of action should be taken when an audit of a supplier identifies evidence of human rights malpractice?

- A. Immediately raise the issue with the supplier and jointly develop a timely action plan to be implemented before a repeat audit
- B. Immediately halt all orders with the supplier, make a record of the violation in the supplier database, and switch to an alternative source of supply
- C. Remove all business and inform press organisations, who will in turn bring the issue to the attention of formal governmental organisations who can take action
- D. Allow the supplier to complete current orders placed, while pursuing an alternative source to change to as soon as approved

**Answer: A ([LEAVE A REPLY](#))**

Addressing human rights issues collaboratively by developing an action plan allows for improvement and correction. This approach is consistent with ethical sourcing principles, which encourage responsible intervention to correct and improve supply chain practices rather than punitive measures that may not lead to long-term change.

**NEW QUESTION: 29**

According to the CIPS code of conduct, which laws should a procurement professional adhere to?

- A. all laws within the country they work in
- B. all international procurement legislation
- C. all laws published by international organisations such as ILO
- D. all laws within countries they have business and contracts in

**Answer: ([SHOW ANSWER](#))**

The CIPS Code of Conduct says to adhere to all laws of countries in which I practice. So if you're in the UK and procure stuff from China, you need to abide by both UK and Chinese laws, not just UK laws.

There's no international procurement laws- these are all different for different countries. ILO doesn't publish laws.

**NEW QUESTION: 30**

Ramesh is a procurement manager who is looking at his supplier base. He is pursuing a sourcing strategy with the aim of enabling logistical cost reductions. He has made the decision to scale-down his supplier base and purchase from one supplier.

Which type of sourcing arrangement has Ramesh began?

- A. single
- B. dual
- C. multiple
- D. sole

**Answer: ([SHOW ANSWER](#))**

**NEW QUESTION: 31**

The procurement team at Grape Juice Limited often use a weighted point system when appraising potential suppliers. What is a disadvantage of using a weighted point system?

- A. it allows transparency
- B. it is time-consuming to create
- C. it is easy to manipulate
- D. it is hard to be objective

**Answer: ([SHOW ANSWER](#))**

Weighted points systems can be time consuming to create. They're very transparent and allow for objective grading of supplier bids (so these answers are incorrect). They are not easy to manipulate and this is an advantage of using them.

**Valid L4M4 Dumps** shared by Actual4test.com for Helping Passing L4M4 Exam! Actual4test.com now offer the **newest L4M4 exam dumps**, the Actual4test.com L4M4 exam **questions have been updated** and **answers have been corrected** get the **newest** Actual4test.com L4M4 dumps with Test Engine here:

[https://www.actual4test.com/L4M4\\_examcollection.html](https://www.actual4test.com/L4M4_examcollection.html) (216 Q&As Dumps, **30%OFF**

**Special Discount: Freepdfdumps**)

### NEW QUESTION: 32

The Freedom of Information Act is a piece of UK legislation which allows members of the public to request information on issues such as public sector sourcing. When a request is made, it is compulsory for the public sector to provide this information to the public. Is this statement true?

- A. yes- the information must be provided within 28 days
- B. yes- the information must be posted publically online
- C. no- the public sector can choose not to publish information if it is not deemed to be in the public interest
- D. no- the public sector does not need to provide information on sourcing activities

**Answer: C (LEAVE A REPLY)**

the correct answer is 'no- the public sector can choose not to publish information if it is not deemed to be in the public interest'.

They use something called the 'public interest test' to determine if the information should be re-leased or not.

For example they may not respond to a request asking how many bullets the UK Army has in storage, as that would be detrimental to national security interests.

Responses to requests are made within 21 days, not 28.

### NEW QUESTION: 33

The use of Incoterms will eliminate all risks involved in international trade transactions. Is this statement true?

- A. No, they can reduce risks but will not eliminate them
- B. No, they will only provide assurance about the quality of goods
- C. Yes, they are popular because all risks are avoided
- D. Yes, they eliminate all the risks of buying from an overseas supplier

**Answer: (SHOW ANSWER)**

Incoterms clarify responsibilities between buyers and sellers, reducing certain risks but not eliminating them entirely. Responsible sourcing requires recognising that Incoterms are only part of risk management in international trade, and other factors, such as supplier reliability and quality, must be considered.

**NEW QUESTION: 34**

Which of the following is an advantage to the TUPE regulations?

- A. Continuity of supply for the buying organisation
- B. Value for money for the buying organisation
- C. Reduced overheads for the buying organisation
- D. Increase in buyer power

**Answer: A (LEAVE A REPLY)**

Continuity of supply for the buying organisation is an advantage of TUPE regulations. TUPE is the Transfer of Undertakings (Protection of Employment). It's when the workforce / employees of one company go to work for another one, usually after their company is bought out. They're transferred to the new company along with the furniture and buildings.

TUPE is UK specific. You don't need to know too much details about it for this exam - just what it is and the benefits. The main benefit is people don't lose their jobs when their company gets bought out. Basic guide to TUPE ([pinsentmasons.com](http://pinsentmasons.com))

**NEW QUESTION: 35**

A buyer in the public sector has put an advert out asking for interested suppliers to express an interest in a potential tender activity to provide a facilities management contract to a hospital trust. The suppliers who have met that criteria are then sent a document detailing how they should submit their tender, how to price the opportunity, asks Questions relating to how they will deliver the service and gives a deadline for bids to be submitted. Which document have the suppliers been sent?

- A. Request for Quotation
- B. Invitation to Tender
- C. Invitation to Quote
- D. Request for Tender

**Answer: (SHOW ANSWER)**

This is an Invitation to Tender.

The only other real document listed in Request for Quotation. This is incorrect because the document asks questions relating to how they will deliver the service. This means price isn't the only factor, which is the case for a RfQ.

Request for Tender and Invitation to Quote are not real things.

**NEW QUESTION: 36**

Dylan is looking to appoint a new supplier of paint to his manufacturing business. The paint will be used to paint buses and taxis and therefore needs to be high quality and durable. Which of the following should Dylan look for in terms of quality management when appraising the suppliers?

- A. ISO9001
- B. Carter's 10 Cs
- C. ESG
- D. conformance specification

**Answer: A (LEAVE A REPLY)**

ISO9001 is Quality Management so is therefore the correct answer. The other options can be used to appraise suppliers but do not link directly or fully to Quality Management.

### **NEW QUESTION: 37**

Single sourcing is only used by buyers where the total requirement is too small to justify splitting orders among more suppliers. Is this statement correct?

- A. No, because single sourcing should only be used where there is just one supplier in the market
- B. Yes, because many suppliers tend to increase stock variety and stock proliferation
- C. No, because single sourcing may also be used when a requirement demands expensive set-up costs
- D. Yes, because single sourcing works well within a volatile supply environment

**Answer: C (LEAVE A REPLY)**

Single sourcing can be appropriate when set-up costs are high, making it impractical to involve multiple suppliers. This aligns with responsible sourcing principles, particularly for high-value or specialised items, where relationship management and collaboration with one supplier can enhance quality and efficiency.

### **NEW QUESTION: 38**

Which of the following are examples of secondary data? Select TWO

- A. economic indices
- B. trade fairs and exhibitions
- C. networking
- D. commissioned market research
- E. comparison websites

**Answer: A,E (LEAVE A REPLY)**

economic indices and comparison websites are secondary sources of data. The other three are examples of primary sources of data.

Primary= you get the data yourself

Secondary = you find the data from somewhere else

### **NEW QUESTION: 39**

Why is it important, when awarding high-value contracts, for a buyer to conduct a financial assessment of a supplier?

- A.** The buyer must ensure continuity of supply because financial problems of a supplier could affect the supply
- B.** Financial assessments provide a holistic view of a company's capability, including quality and delivery performance
- C.** A supplier who is highly profitable will be charging prices higher than the average market rate
- D.** If a supplier has a high credit score, this means it pays its own suppliers late, which could result in stock outs

**Answer:** [\(SHOW ANSWER\)](#)

Financial assessments help ensure a supplier can meet the demands of a high-value contract without disruptions. This aligns with responsible sourcing principles by promoting stable supplier relationships and reducing the risk of supply chain interruptions due to financial instability.

#### **NEW QUESTION: 40**

The procurement team received an urgent request from the business to source quotations for pestcontrol services. The team decided to use a local newspaper to advertise the requirements. Was this an appropriate approach to use in the circumstances?

- A.** Yes, so that the local pest control sector can decide between them who should bid
- B.** No, because they might receive too many irrelevant proposals which may delay the assessing process
- C.** No, because international vendors must also be notified of the opportunity
- D.** Yes, they must seek as many bids as possible, even if it takes longer

**Answer:** [B \(LEAVE A REPLY\)](#)

Advertising in a local newspaper for a specialized requirement can lead to irrelevant bids, delaying the process. Efficient sourcing practices recommend targeted advertising to reach qualified suppliers, ensuring timely responses and reducing assessment time, especially for urgent needs.

#### **NEW QUESTION: 41**

A buyer for a large manufacturing organisation is assessing a sole supplier tender opportunity. The buyer is finding it challenging to differentiate the proposals on unit purchase price. Are there any added values that the procurement manager can use to leverage the sole supplier proposal?

- A.** Yes, but only if the buyer decides to re-start the tender opportunity
- B.** No, the buyer must make the decision based on the existing information
- C.** No, because a buyer has no leverage over a sole supplier
- D.** Yes, the buyer can negotiate on aspects such as after-sales service

**Answer:** [\(SHOW ANSWER\)](#)

In cases where price differentiation is minimal, negotiating on added-value services like after-sales support can offer additional benefits. This aligns with responsible sourcing by focusing on long-term value and fostering a cooperative relationship with the supplier.

**NEW QUESTION: 42**

Which of the following are remedial actions that may be undertaken by the purchasing organisation following a supplier audit? Select the TWO that apply.

- A. Violating the terms of the supplier contract
- B. Define specific corrective actions for the supplier
- C. Daily brainstorming meetings with the supplier
- D. Employing the supplier's staff for job training
- E. Running supplier development programmes

**Answer: B,E (LEAVE A REPLY)**

Defining corrective actions and running supplier development programs are effective remedial actions following an audit. These approaches support continuous improvement, aligning with responsible sourcing by helping suppliers meet ethical and performance standards.

**NEW QUESTION: 43**

What are the risks of outsourcing?

- \* Loss of control of project
- \* Loss of assets
- \* Loss of future business opportunities
- \* Loss of private information

- A. 1 and 4 only
- B. 2 and 3 only
- C. 3 and 4 only
- D. 1 and 2 only

**Answer: A (LEAVE A REPLY)**

Loss of control and loss of private information are significant risks in outsourcing. Responsible sourcing involves mitigating these risks by setting clear agreements, monitoring, and safeguarding sensitive information to maintain control over outsourced activities.

**NEW QUESTION: 44**

What are some of the benefits of conducting unscheduled supplier audits? Select TWO that apply.

- A. Unscheduled audits significantly reduce costs compared to scheduled visits
- B. Unscheduled audits help to achieve an unbiased assessment
- C. Unscheduled audits help to identify non-compliance issues
- D. Unscheduled audits increase the risk of providing misinformation

E. Unscheduled audits are more time-efficient than scheduled audits

**Answer: B,C (LEAVE A REPLY)**

Unscheduled audits can provide an unbiased view of supplier practices and help identify compliance issues that might be hidden during scheduled audits. This approach supports responsible sourcing by ensuring accurate assessments of ethical and quality standards.

**NEW QUESTION: 45**

How can a buyer monitor a supplier's ethical workforce standards throughout a long-term contract?

- A. Check the International Labour Organisation's database regularly for information specifically about that supplier
- B. Request a completed self-assessment by the supplier on a monthly basis
- C. Commission periodic audits by specialist third parties to highlight any malpractice
- D. Contact management directly on a periodic basis, as stipulated in contract terms

**Answer: C (LEAVE A REPLY)**

Conducting periodic audits by third-party specialists is a reliable way to monitor compliance with ethical standards, as these audits provide an objective assessment. This aligns with ethical sourcing practices, as it promotes accountability and ensures continuous adherence to agreed-upon standards.

**NEW QUESTION: 46**

Which of the following is not a Human Rights as protected by the UN Declaration on Human Rights?

- A. freedom of Belief and to change beliefs
- B. the right to be treated equally
- C. the right to free speech
- D. the right to change nationality

**Answer: D (LEAVE A REPLY)**

the right to change nationality is not included in the UN Declaration of Human Rights.

There are 30 in total but you're not expected to know them all. You should know the big ones though which are; life, security, belief, equal treatment, free speech and expression.

A summary can be found here: [Universal Declaration of Human Rights | United Nations](#)

**Valid L4M4 Dumps** shared by Actual4test.com for Helping Passing L4M4 Exam!

Actual4test.com now offer the **newest L4M4 exam dumps**, the Actual4test.com L4M4 exam **questions have been updated** and **answers have been corrected** get the **newest** Actual4test.com L4M4 dumps with Test Engine here:

**NEW QUESTION: 47**

Incoterms are divided into four main groups to follow the movement of goods covering the exporter's premises, export and import points, and cost and risk. Which letters represent the four groups of Incoterms?

- A. E, F, C, and D
- B. E, F, B, and C
- C. B, C, F, and G
- D. A, B, C, and D

**Answer: A (LEAVE A REPLY)**

Incoterms are grouped as E (Ex Works), F (Free Carrier), C (Carriage Paid To), and D (Delivered Duty Paid), reflecting various stages of responsibility transfer between buyer and seller. Understanding Incoterms is critical for responsible sourcing, as it clarifies logistics and cost responsibilities.

**NEW QUESTION: 48**

Ali is the Category Manager at an airplane manufacturing factory. He works with many different suppliers who provide different components for the planes. The company is investing heavily in Environmental and Social Governance and Ali has been asked by the CEO what the best practice is to ensure ethical behaviour from suppliers. Ali has suggested completing Audits. Is this the right thing to do?

- A. No- audits will only reveal financial issues not ethical ones
- B. No- Ali should simply ask the supplier's about their ethical practices
- C. Yes- audits always uncover ethical violations such as modern day slavery
- D. yes - these can be completed without warning which would give Ali an accurate picture of the supplier's operations

**Answer: (SHOW ANSWER)**

The correct answer is 'yes - these can be completed without warning which would give Ali an accurate picture of the supplier's operations'. The other options are incorrect:

- 1) you can do many types of audit- financial, ethical, Health and Safety etc
- 2) asking a supplier about their ethical practices isn't likely going to get you accurate information. They'll just tell you what they think you want to hear
- 3) audits are great- but they don't ALWAYS uncover issues. Always is the key word in that sentence which makes it incorrect.

**NEW QUESTION: 49**

A balance sheet will show a company's assets, liabilities and shareholder equity. What is share-holder equity?

- A. the profit from sales once tax has been deducted

- B. the amount of money held in the company's bank account
- C. the owners' residual claim once all debt has been paid
- D. the amount of money from retained earnings

**Answer: (SHOW ANSWER)**

shareholder equity = the owner/s of the organisation's residual claim once all debts have been paid. What Is Shareholder Equity (SE) and How Is It Calculated? (investopedia.com)

#### **NEW QUESTION: 50**

Procurement professionals should never appoint any suppliers that have a low credit rating. Is this statement TRUE?

- A. Yes, because this rating indicates poor financial management practices
- B. No, because a credit rating is only one financial tool to be used in determining financial competence
- C. No, because a credit rating is not an appropriate decision-making tool
- D. Yes, because this rating means that insolvency or liquidation is imminent

**Answer: B (LEAVE A REPLY)**

A credit rating is one of many tools used to assess a supplier's financial health. Responsible sourcing requires a comprehensive assessment of suppliers, considering multiple factors, to ensure a balanced and ethical approach to supplier selection.

#### **NEW QUESTION: 51**

Steff is a procurement manager at Giant Buttons Ltd who are considering offshoring a small section of their manufacturing operations. Which of the following is a risk of offshoring that Steff should consider.

- A. importation rules and tariffs
- B. exportation rules and tariffs
- C. payments by electronic bank transfer
- D. lower operating costs

**Answer: A (LEAVE A REPLY)**

The correct answer is importation rules and tariffs. This is because in offshoring some of the manufacturing will be done in another country then shipped back to the UK. The products will have to go through customs so may be subject to tariffs and duties. Steff's not exporting anything in the scenario and paying electronically and getting lower costs are not RISKS.

#### **NEW QUESTION: 52**

Which of the following would you expect to find in an Invitation to Tender? Select THREE

- A. awarding body
- B. deadline
- (Correct)
- C. pricing schedule

D. qualifications required

E. risk assessments

**Answer: (SHOW ANSWER)**

An ITT would include details on the awarding body (usually a brief overview of the buyer), the deadline (bids must be received by a certain date) and qualifications required (such as ISO requirements or competency certificates of staff members if it's a service contract). You wouldn't find pricing schedules in an ITT (this would be provided by the supplier in response to the ITT), nor would you find risk assessments (a supplier might be asked to provide one as part of the quality assessment of the tender though).

Invitation To Tender Simply Explained | Thornton & Lowe ([thorntonandlowe.com](http://thorntonandlowe.com))

### **NEW QUESTION: 53**

For what type of purchase would you use a Futures Exchange?

A. Tail Spend

B. Capital Expenditure

C. Commodity

D. High value, high risk

**Answer: C (LEAVE A REPLY)**

Futures exchanges are used to trade commodities. It's when a buyer and supplier agree a price and deal for something in the future. For example a carrot farmer may agree to sell his carrots to Gary in 3 months time when they're finished growing. It's used when the product / commodity isn't ready yet.

It's also used for hedging and other complex financial stuff- but you don't need to know that yet. Commodities and Future contracts are a big part of L5M4 to warn you though. Futures Contract Definition: Types, Mechanics, and Uses in Trading ([investopedia.com](http://investopedia.com))

### **NEW QUESTION: 54**

Many organisations prefer a multi-sourcing approach because of the advantages it provides. Which of the following might be an advantage of multi-sourcing?

A. It is the only approach that supports the open tendering process

B. It is the only approach that enables the buyer to isolate the best supplier from among many

C. It helps the buyer to increase stock varieties to avoid stock-outs

D. It increases process flexibility and switching using a range of approved suppliers

**Answer: D (LEAVE A REPLY)**

Multi-sourcing allows organisations to diversify their supply base, providing flexibility, and reducing risk by having multiple suppliers. It is an effective strategy to prevent over-dependence on a single source and allows for competition among suppliers, promoting quality and ethical standards in the supply chain.

### **NEW QUESTION: 55**

Why would you use a credit score to appraise a supplier?

- A. to understand the level of risk the supplier poses to your organisation
- B. to understand if their prices reflect market value
- C. to find out how much money the supplier has in the bank
- D. to find out if the supplier has any unethical business practices

**Answer: A (LEAVE A REPLY)**

A credit rating generates a score which reflects 'the level of risk an organisation poses when dealing with other businesses'. It's saying how risky it is to loan them money or do business with them by looking at how good they are at paying people. So a high credit rating will say they're good at paying back their loans and paying their suppliers on time. A poor credit rating will say they often miss payments or pay late.

A credit rating will not tell you how much money they have, or details on their prices. Credit scores looks at purely financial data so wouldn't help you analyse whether their business practices are ethical or not.

#### **NEW QUESTION: 56**

The gross profit of a company can be calculated by using a simple formula. What is this?

- A. total revenue - cost of sales
- B. assets - liabilities
- C. cost of sales - fixed assets
- D. debt owed - total sales

**Answer: (SHOW ANSWER)**

gross profit = total revenue - cost of sales.

Learn all you can about financial ratios and financial statements for the exam- it's a very common topic

#### **NEW QUESTION: 57**

Robert is appraising suppliers and is keen to evaluate suppliers' contribution to the community and the environment. Which of the following should Robert look at?

- A. ESG Policy
- B. Anti-Slavery Policy
- C. ISO9001
- D. ISO27000

**Answer: A (LEAVE A REPLY)**

Robert should look at the supplier's ESG policy. This stands for Environmental Social Governance. So covers both his requirements for community (social) and environmental factors.

ISO 9001 is about Quality Management and ISO27000 about Information Security so these are in-correct answers. An Anti-Slavery Policy would not discuss the environment.

#### **NEW QUESTION: 58**

If a commodity index shows that the price of a commodity is continually rising, what does this indicate about the market?

- A. that there is little demand in the marketplace
- B. demand is exceeding supply
- C. there is a threat of substitution
- D. the marketplace is a monopoly

**Answer: (SHOW ANSWER)**

The correct answer is 'demand is exceeding supply'- If everyone wants to buy something, the suppliers will likely increase the price.

If there was little demand or there were threats of substitutions, this would likely result in a price decrease.

### **NEW QUESTION: 59**

It is important that buyers take an approach that is reasonable and fair when selecting suppliers to work with.

Which of the following is a voluntary document which can help procurement professionals treat suppliers respectfully?

- A. EU Procurement Directive 2014
- B. CIPS Code of Conduct
- C. ISO 9001
- D. ILO is an organization

**Answer: (SHOW ANSWER)**

The correct answer is the CIPS Code of Conduct. This is a voluntary document about doing 'good procurement' i.e. treating suppliers with respect.

EU Procurement Directive is legislation, so isn't voluntary

ISO9001 is about quality management

ILO is an organisation rather than a document

### **NEW QUESTION: 60**

GDP is an economic index that a procurement professional can use to measure economic data. What does GDP tell you?

- A. the value of public limited companies within a country
- B. the monetary value of the goods manufactured in a financial period
- C. the value of commodities such as steel, oil and wheat at a point in time
- D. average changes in price over a year

**Answer: B (LEAVE A REPLY)**

GDP = gross domestic product = "the monetary value of goods and services manufactured or supplied in a financial period". People use it to say whether a country's economy is strong or weak.

Stock markets look at the value of public limited companies within a country.

Commodity indices look at the value of commodities such as steel, oil and wheat at a point in time. Average changes in price over a year can be measured by CPI or PPI.

**NEW QUESTION: 61**

Achieving the 'five rights of procurement' is one of the key objectives of procurement managers. Which of the following are not considered one of the 5 rights? Select TWO.

- A. time
- B. ethics
- C. environment
- D. quantity
- E. quality

**Answer: B,C (LEAVE A REPLY)**

ethics and environment are not a 'right of procurement'.

The 5 rights are price, quality, quantity, time and place.

**Valid L4M4 Dumps** shared by Actual4test.com for Helping Passing L4M4 Exam! Actual4test.com now offer the **newest L4M4 exam dumps**, the Actual4test.com L4M4 exam **questions have been updated** and **answers have been corrected** get the **newest** Actual4test.com L4M4 dumps with Test Engine here:

[https://www.actual4test.com/L4M4\\_examcollection.html](https://www.actual4test.com/L4M4_examcollection.html) (216 Q&As Dumps, **30%OFF**

**Special Discount: Freepdfdumps**)

**NEW QUESTION: 62**

Azram is a facilities category buyer within the UK police force and is managing an overseas sourcing project for police uniform and personal protective equipment. Azram is of the opinion that international sourcing will help deliver much-needed financial savings, which can be utilized in other areas of the UK police force.

Azram is aware that exchange rate fluctuations can create risk for his organisation. How can Azram remove this risk?

- A. Evaluate international supplier's financial accounts
- B. Carry out a competitive tender exercise
- C. Request to use the exchange rate applicable at the time of delivery
- D. Ask suppliers to quote in GBP Sterling

**Answer: (SHOW ANSWER)**

Requesting suppliers to quote in GBP Sterling removes exchange rate risk by fixing the cost in the buyer's local currency. This strategy aligns with responsible sourcing practices by providing cost stability and protecting the procurement budget from currency fluctuations.

**NEW QUESTION: 63**

A buyer is responsible for the procurement of metals within the raw materials department. The buyer is preparing for next year's purchase orders and has been asked to confirm the month of order placement. The buyer has found three trends:

- \* In January and April, the supplier's local currency is stronger
- \* November typically has the lowest demand
- \* May typically has the highest demand

Which month should the buyer plan to place the purchase order?

- A. November
- B. May
- C. January
- D. April

**Answer: A (LEAVE A REPLY)**

Ordering in November, when demand is lowest, may allow the buyer to secure better pricing and availability, aligning with responsible sourcing by optimizing purchase timing to achieve cost savings and reliable supply.

**NEW QUESTION: 64**

A procurement manager who works in the public sector has received 8 submissions to a tender opportunity that was advertised on OJEU. The average price submission for the contract was £1m but one supplier has submitted a price of £200,000, which the procurement manager has identified as being 'an abnormally low tender'. What should be the procurement manager's course of action?

- A. automatically dismiss the low bid
- B. award the contract to the low bid as this represents better value for money
- C. investigate the low bid
- D. award the bid a 0 for price

**Answer: C (LEAVE A REPLY)**

You should investigate automatically low tenders by clarifying the bid with the supplier. It could be they have misunderstood the requirement. Or the bid could be genuine and they can really provide best value for money.

But without enquiring, you just don't know.

**NEW QUESTION: 65**

Ivan is an investor who is looking to invest in new businesses. He is reviewing several companies and working out what his equity would be. Which of the following does Ivan need to know to calculate shareholder equity? Select TWO.

- A. net profit
- B. net income
- C. total liabilities
- D. total assets

**Answer: (SHOW ANSWER)**

Shareholder Equity = Total Assets - Total Liabilities

**NEW QUESTION: 66**

ABC Ltd works with supplier XYZ Ltd who uses a variety of subcontractors. ABC has recently learned of an ethical breach being committed by one of XYZ's subcontractors. What should ABC do?

- A. Recommend remedial action
- B. Seek compensation
- C. Terminate the contract
- D. Research alternative suppliers

**Answer: A (LEAVE A REPLY)**

ABC should do a 'root cause analysis' to find out where the issue has come about, and why. From there, once they know what the breach is and how serious it is, they can suggest corrective action.

They can't jump straight to terminating the contract or seeking damages as it's not the supplier itself but rather the subcontractor. Also that would be really hasty considering we don't know what the issue is and what the market conditions are like. That supplier may be the only one who can provide the product. We also don't know if the supplier knows about the issue themselves.

**NEW QUESTION: 67**

Which of the following items would you expect to find on a balance sheet? Select THREE

- A. current assets
- B. current liabilities
- C. net product sales
- D. stockholders' equity
- E. gross product sales

**Answer: A,B,D (LEAVE A REPLY)**

current assets, current liabilities and equity can be found on a balance sheet. Net and gross sales will be found on a profit and loss account.

**NEW QUESTION: 68**

Which of the following areas of legislative and regulatory requirements prevent the deliberate limiting of supply and the formation of cartels?

- A. data protection
- B. product safety standards
- C. marketplace competition
- D. ethical practice

**Answer: B (LEAVE A REPLY)**

the correct answer is 'marketplace competition'.

Ethical practice is about prohibiting corrupt and unfair practice, rather than issues of supply and demand.

Although being in a cartel is 'unethical behavior' this option doesn't fully answer the question which talks about limiting supply- this is related to marketplace competition.

### **NEW QUESTION: 69**

When assessing the financial performance of a potential supplier, it is important to understand how much gross profit they are making. The gross profit margin ratio uses which of the following pieces of information from the profit and loss (statement of financial performance)? Select TWO that apply.

- A. Cost of goods sold
- B. Value of equity capital
- C. Income from sales
- D. Current liabilities
- E. Total current assets

**Answer: A,C (LEAVE A REPLY)**

The gross profit margin ratio is calculated by subtracting the cost of goods sold (COGS) from income from sales, then dividing by income from sales. This ratio indicates the profitability of a supplier, a critical factor in assessing financial health, which helps buyers ensure reliable supply continuity.

### **NEW QUESTION: 70**

Pierre is constructing a tender for a security contract. As well as cost, he would like to ask the security companies some questions about their health and safety processes and staff qualifications. He has created several questions and weighted these so that they add up to 25. is this the correct thing to do?

- A. yes- point systems can be weighted any way a buyer choses so long as this is explained in the ITT
- B. yes- 25 is the correct weighting for quality question
- C. no- the weighting should total 10
- D. no- the weighting should total 100

**Answer: (SHOW ANSWER)**

weighted points systems for assessments should add up to 100. This is 100%.

An example is how this would work is

Price = 50%

Health and Safety questions= 30%

Qualifications = 20%

### **NEW QUESTION: 71**

In a negotiation, a supplier does not want to upset or offend the buyer, so concedes their own requirement in order to ensure harmony. Which negotiation tactic is the supplier using?

- A. competitive
- B. collaborative
- C. compromising
- D. accommodating

**Answer: (SHOW ANSWER)**

This is accommodating: the supplier puts the buyer's interest above his own.

This is from the Thomas Killman model of conflict resolution. There are 5 strategies; competitive, collaborative, avoiding, accommodating and compromising. In the study guide it doesn't mention the name of the model but you do need to know the 5 strategies. The model comes up a lot in other modules so is a good one to learn. Particularly L5M1 which is about management theory.

### **NEW QUESTION: 72**

Which of the following would you use to determine the outcome of a competitive tender?  
Select TWO.

- A. location
- B. distribution
- C. reputation
- D. quality
- E. price

**Answer: (SHOW ANSWER)**

Price and Quality are the two considerations when marking a competitive tender.

Location, distribution and reputation may be considered for SOME tenders, but these would be sub-categories that fall under 'quality questions'.

### **NEW QUESTION: 73**

Which of the following are reasons to outsource part of a business to an external supplier?  
Select TWO.

- A. the product or service is core to the organisation
- B. there are more resources in-house
- C. overheads can be kept as effective as possible
- D. the reduction in the need to continually invest in new machinery

**Answer: C,D (LEAVE A REPLY)**

Reasons to outsource include; 'overheads can be kept as effective as possible' and 'the reduction in the need to continually invest in new machinery'.

When you outsource, you transfer the costs of overheads to the supplier and it is their responsibility to buy new machinery as and when is required. For example if you outsource

cleaning, the cleaning company is responsible for replacing the hoovers and floor cleaner  
The other two options would be reasons to keep something 'in-house'.

#### **NEW QUESTION: 74**

Which of the following should be considered when calculating ratios relating to a supplier's liquidity?

- A. receivables
- B. inventory
- C. profit
- D. reserves

**Answer: (SHOW ANSWER)**

#### **NEW QUESTION: 75**

Kiran is appraising some potential suppliers and has noticed that one of these suppliers has an extremely high gearing ratio. What would this suggest?

- A. the supplier is extremely profitable
- B. the supplier has a lot of long-term debt
- C. the supplier has a high cost of sales
- D. the supplier has a strong return on investment

**Answer: B (LEAVE A REPLY)**

The correct answer is 'the supplier has a lot of long-term debt'. Gearing is a measure of how the business is being funded and looks at the ratio of debt to equity. For example if they have taken out lots of loans and mortgages, this would equate to a lot of debt which means a poor gearing ratio.

Gearing is a hot topic for the exam.

#### **NEW QUESTION: 76**

Philip is a procurement manager at XYZ Company which imports raw materials from abroad. Suppliers provide quotes to Philip in their local currency. Is this the best way to reduce the risk to XYZ Company of currency fluctuations?

- A. yes- this means the price won't go up or down
- B. yes- this puts the risk on the supplier
- C. no- quoting in the supplier's currency increases the risk for the buyer
- D. no- quoting in the supplier's currency does not affect the risk to the buying organisation

**Answer: C (LEAVE A REPLY)**

The correct answer is 'no- quoting in the supplier's currency increases the risk for the buyer'. This question comes up in a variety of formats in the exam. Remember; if the price is in your own currency (most examples in the exam are given in £) there is less risk than if the prices are quoted in a foreign currency. This is because exchange rates fluctuate; if the price is in £ you always know what you're paying, if it's in another currency

the price can change daily depending on if the exchange rate compared to £ has gone up or down.

**Valid L4M4 Dumps** shared by Actual4test.com for Helping Passing L4M4 Exam! Actual4test.com now offer the **newest L4M4 exam dumps**, the Actual4test.com L4M4 exam **questions have been updated** and **answers have been corrected** get the **newest** Actual4test.com L4M4 dumps with Test Engine here:

[https://www.actual4test.com/L4M4\\_examcollection.html](https://www.actual4test.com/L4M4_examcollection.html) (216 Q&As Dumps, **30%OFF**

**Special Discount: Freepdfdumps)**

#### **NEW QUESTION: 77**

'Phishing' is an activity that can occur when an employee within an organisation receives an email that appears to be from a genuine supplier but is false. These types of emails expose the organisation to the activities of expert cyber criminals. Which type of crime category does this activity fall within?

- A. Bribery
- B. Human rights
- C. Corruption
- D. Fraud

**Answer: D (LEAVE A REPLY)**

Phishing is categorized as fraud because it involves deceptive practices to gain sensitive information or financial benefits. Responsible sourcing includes ensuring that cybersecurity measures are in place to prevent fraud and protect sensitive information within supply chains.

#### **NEW QUESTION: 78**

Which models would be appropriate for analysis of the supply market?

- \* Porter's Five Forces
- \* Porter's Value Chain
- \* STEEPLD
- \* Ishikawa Fishbone

- A. 1 and 2 only
- B. 1 and 3 only
- C. 2 and 3 only
- D. 3 and 4 only

**Answer: (SHOW ANSWER)**

Porter's Five Forces and the STEEPLD model are valuable tools for analyzing supply markets. These models help identify external pressures and market dynamics, supporting

responsible sourcing by enabling buyers to understand and respond to market influences effectively.

### **NEW QUESTION: 79**

Which of the following financial ratios would indicate a supplier's potential exposure risk to a steep rise in inflation?

- A. acid test
- B. current ratio
- C. gross profit margin
- D. gearing ratio

**Answer: D (LEAVE A REPLY)**

The correct answer is 'gearing ratio'.

Gearing measures how much of a company's funding is based on long-term debt or loans- this would be affected by a steep rise in inflation. If a company has a mortgage on their offices or factory and they need to remortgage and inflation has gone up a lot- they'll be paying a lot more on their mortgage. This will severely affect the gearing ratio as they'll have more outgoings than incoming.

Gross profit margin COULD be affected by inflation, for example if you've got hyper-inflation and the country goes into recession and people stop buying your product.

However, this answer isn't always right and depends on many factors- the industry, the product, the company etc, so for the purpose of CIPS should be discounted. There are many industries which are immune to inflation.

### **NEW QUESTION: 80**

Polygon Incorporated is a new company in the mining industry, which often gets bad press due to issues of sustainability. Which of the following should Polygon Incorporated consider when developing sustainable business practices?

- A. people, profit, planet
- B. economic, ethical and environmental
- C. efficiency, effectiveness, impact
- D. fraud, bribery and corruption

**Answer: A (LEAVE A REPLY)**

The three pillars of sustainability are profit, people and planet. This may also be referred to as social, economic and environmental.

**Valid L4M4 Dumps** shared by Actual4test.com for Helping Passing L4M4 Exam! Actual4test.com now offer the **newest L4M4 exam dumps**, the Actual4test.com L4M4 exam **questions have been updated** and **answers have been corrected** get the **newest** Actual4test.com L4M4 dumps with Test Engine here:

[https://www.actual4test.com/L4M4\\_examcollection.html](https://www.actual4test.com/L4M4_examcollection.html) (216 Q&As Dumps, 30%OFF

Special Discount: **Freepdfdumps**)