TT TEXTBOOK TESTBANKS

Test Bank for Purchasing and Supply Chain Management 8th Handfield

TEST BANK SAMPLE PREVIEW

PUBLISHER
Cengage

COPYRIGHT
2026

RESOURCE TYPE
Test Bank

ISBN
9798214042039

Test Bank for Purchasing and Supply Chain Management 8th Edition by Handfield, Giunipero

ISBN: 9798214042039

Purchasing and Supply Chain Management (8th)

ISBN 9798214042039 | Chapter 1

Total Questions: 56

Multiple Choice (33)

Q1. *[Multiple Choice] · Bloom's: Remember*

A United States firm that replaces an Asian supplier with one located in Canada or Mexico is engaging in which of the following?

- **a)** Insourcing
- **b)** Outsourcing
- **c)** Reshoring
- **d) Nearshoring ✓ correct**
- **e)** Offshoring

Q2. *[Multiple Choice] · Bloom's: Understand*

Which of the following is a feature of the new model of progressive purchasing?

- **a)** Restricting supplier communication to negotiation of contract deliverables.
- **b)** Opting for short-term contracts over long-term contracts whenever possible.
- **c)** Focusing primarily on price optimization for essential purchased products
- **d) Conducting worldwide Internet searches for the best sources of supply. ✓ correct**

Q3. *[Multiple Choice] · Bloom's: Understand*

Which of the following is a factor driving increased emphasis on supply chain management?

- **a)** Increased domestic sourcing to obtain lower prices
- **b)** The high cost and lack of available information resources among supply chain entities.
- **c) The elevated level of competition in both domestic and international markets that favors fast, agile, and flexible organizations. ✓ correct**
- **d)** Less demanding customer expectations.

Q4. *[Multiple Choice] · Bloom's: Understand*

Which of the following activities is part of the purchasing professional's historical role?

- **a) Sending requests for competitive bids to suppliers ✓ correct**
- **b)** Awarding long-term contracts to world-class suppliers
- **c)** Meeting corporate wide performance measures
- **d)** Facilitating collaboration with key suppliers

Q5. *[Multiple Choice] · Bloom's: Understand*

Which of the following is an event likely to contribute supply management volatility, uncertainty, complexity, or ambiguity (VUCA)?

- **a)** Historically stable prices for goods and services
- **b)** Abundant raw materials
- **c)** Stable political climate
- **d) Prevalence of counterfeit goods ✓ correct**

Q6. *[Multiple Choice] · Bloom's: Remember*

For which of the of the following indices does a rating over 50 indicate economic expansion?

- **a)** Consumer Price Index
- **b)** Producer Price Index
- **c)** Inflation Rate
- **d) Purchasing Manager's Index ✓ correct**

Q7. [Multiple Choice] · Bloom's: Understand

Which of the following is NOT a functional activity performed by purchasing practitioners?

- **a)** Identify suppliers
- **b)** Perform supply market research
- **c) Writing quality specifications ✓ correct**
- **d)** Establish supplier contracts

Q8. [Multiple Choice] · Bloom's: Remember

Which of the following organizations is, according to the Institute for Supply Management, responsible for the identification, acquisition, access, positioning, and management of resources an organization needs to attain its strategic objective?

- **a) Supply management ✓ correct**
- **b)** Procurement
- **c)** Logistics
- **d)** Distribution

Q9. [Multiple Choice] · Bloom's: Understand

Supply management strives to avoid which*types of relationships*between buying companies and specialty suppliers?

- **a)** Collaborative
- **b) Adversarial ✓ correct**
- **c)** Integrated
- **d)** Responsive

Q10. [Multiple Choice] · Bloom's: Remember

Which of the following could be described as a set of three or more organizations linked directly by one or more of the upstream or downstream flows of products, services, finances, and information from a source to a customer?

- **a)** Process sequence
- **b)** Manufacturing system
- **c)** Value chain
- **d) Supply chain ✓ correct**

Q11. [Multiple Choice] · Bloom's: Remember

Which of the following is NOT a typical process involved in supply chain management?

- **a)** Customer-order fulfillment
- **b)** Supplier evaluation and selection
- **c)** Demand and supply planning
- **d) Cash flow management ✓ correct**

Q12. [Multiple Choice] · Bloom's: Remember

According to Michael Porter, which of the following is composed of a firm's primary and secondary activities that can lead to competitive advantage when configured properly?

- **a)** A supply chain
- **b)** A production process
- **c) A value chain ✓ correct**
- **d)** A marketing channel

Q13. [Multiple Choice] · Bloom's: Remember

Which of the following states that success requires effectively managing the linked group of firms from first-level suppliers to customers.?

- **a)** Supply chain orientation
- **b)** Value chain orientation
- **c)** Traditional purchasing perspective
- **d) Extended enterprise concept ✓ correct**

Q14. [Multiple Choice] · Bloom's: Remember

An item provided by suppliers and used directly during production or service delivery is known as _____.

- **a) a direct material ✓ correct**
- **b)** an indirect material
- **c)** an indirect service
- **d)** an internal material
- **e)** a managed inventory

Q15. [Multiple Choice] · Bloom's: Understand

Which of the following is an example of a purchaseddirectitem for a manufacturing firm?

- **a) Raw materials ✓ correct**
- **b)** Executive travel
- **c)** Janitorial supplies
- **d)** Advertising and media

Q16. [Multiple Choice] · Bloom's: Apply

Which of the following is an example of a purchasedindirectitem for a manufacturing firm?

- **a)** Parts and components
- **b) Employee healthcare contracts ✓ correct**
- **c)** Raw materials
- **d)** Sub-assemblies

Q17. [Multiple Choice] · Bloom's: Apply

Which of the following functional groups is responsible for managing the downstream movement of materials between locations in the supply chain?

- **a)** Purchasing Managers
- **b)** Inventory managers
- **c) Distribution managers ✓ correct**
- **d)** Purchasing managers

Q18. [Multiple Choice] · Bloom's: Understand

Which of the following resources is LEAST likely to be shared between a buyer and supplier?

- **a)** Dedicated capacity
- **b)** Information
- **c)** Technology
- **d) Skilled labor force ✓ correct**

Q19. [Multiple Choice] · Bloom's: Understand

Which of the following is an example of a demand planning activity?

- **a) Forecasts of anticipated sales ✓ correct**
- **b)** Cash flow JIT inventory
- **c)** Completed and delivered orders
- **d)** Reaction to changing customer expectations

Q20. *[Multiple Choice] · Bloom's: Understand*

Which of the following is the process of taking demand data and developing a supply, production, and logistics network capable of satisfying demand requirements?

- **a)** Quality control
- **b) Supply planning ✓ correct**
- **c)** Material control
- **d)** Customer service

Q21. *[Multiple Choice] · Bloom's: Understand*

Which of the following involves generating the materials release, contacting a supplier directly concerning charges, and monitoring the status of inbound shipments?

- **a)** Order processing
- **b) Material control ✓ correct**
- **c)** Logistics planning
- **d)** Customer service

Q22. *[Multiple Choice] · Bloom's: Understand*

Which of the following activities helps to ensure that customers receive material when and where they require it and represents the key link between the producer and the external customer?

- **a) Order processing ✓ correct**
- **b)** Inbound transportation
- **c)** Customer service
- **d)** Supply planning

Q23. *[Multiple Choice] · Bloom's: Understand*

Which of the following activities involves physically getting a product ready for distribution to the customer?

- **a)** Material control
- **b)** Quality control
- **c) Shipping ✓ correct**
- **d)** Scheduling

Q24. *[Multiple Choice] · Bloom's: Understand*

All of the following are examples of technology impacting supply chain management over the past two decades EXCEPT

- **a)** social media that allows buyers to gain knowledge of a seller's personal preferences.
- **b)** cloud based data storage systems providing access to timely data.
- **c)** artificial intelligence (AI) that provides purchasers with trainable digital assistants.
- **d) simulation software that increases the effectiveness of job safety training. ✓ correct**

Q25. *[Multiple Choice] · Bloom's: Understand*

All of the following information technology (IT) innovations directly support end-to-end supply chains EXCEPT___

- **a)** cloud-based data storage systems
- **b)** mobile devices permitting Zooming for virtual meetings
- **c)** machine learning (ML) automation of routine buying functions
- **d) statistical process control increasing the product quality and reliability ✓ correct**

Q26. [Multiple Choice] · Bloom's: Understand

Which of the following technologies seeks to improve forecast accuracy, optimize production scheduling, reduce working capital costs, shorten cycle times, cut transportation costs, and improve customer service?

- **a)** Statistical process control software
- **b)** Cost analysis software
- **c) Planning software ✓ correct**
- **d)** Scheduling software

Q27. [Multiple Choice] · Blooms: Remember

All of the following are the four enablers of purchasing and supply chain management EXCEPT

- **a) sufficient cash flow and cash reserves ✓ correct**
- **b)** capable human resources
- **c)** proper organizational design
- **d)** real-time collaborative technology capabilities

Q28. [Multiple Choice] · Blooms: Remember

All of the following are roadblocks between measurement and improved performance EXCEPT _____.

- **a) relevant performance metrics ✓ correct**
- **b)** debate over correct metrics
- **c)** constantly changing metrics
- **d)** retention of old data

Q29. [Multiple Choice] · Blooms: Understand

All of the following are key knowledge areas for purchasers EXCEPT.

- **a)** Supplier relationship management
- **b)** Data and analytics
- **c) Production quality control ✓ correct**
- **d)** Total cost analysis

Q30. [Multiple Choice] · Blooms: Understand

Which of the following refers to the formal process of assessing and selecting the structure and formal system of communication, division of labor, coordination, control, authority, and responsibility required to achieve organizational goals and objectives?

- **a)** Supply chain orientation
- **b)** Human resource management
- **c)** Demand planning
- **d) Organizational design ✓ correct**

Q31. [Multiple Choice] · Bloom's: Remember

Which period in the evolution of purchasing and supply chain management saw the development of basic purchasing procedures and ideas?

- **a)** Period 1 (1850-1900)
- **b) Period 2 (1900-1939) ✓ correct**
- **c)** Period 3 (1940-1946)
- **d)** Period 4 (1947-mid 1960s)

Q32. *[Multiple Choice] · Bloom's: Remember*

During which period in the evolution of purchasing and supply chain management was the practice of combining related functions such as purchasing, inventory control, receiving, and stores under the authority of one individual in a firm?

- **a)** Period 2 (1900-1939)
- **b)** Period 3 (1940-1946)
- **c)** Period 4 (1947-mid 1960s)
- **d) Period 5 (mid 1960s – late 1970s) ✓ correct**

Q33. *[Multiple Choice] · Bloom's: Remember*

During which period in the evolution of purchasing and supply chain management did the need for purchaser-supplier collaboration emerge as a way of maintaining market viability?

- **a)** Period 4 (1947-mid 1960s)
- **b)** Period 5 (mid 1960s – late 1970s)
- **c)** Period 6 (late 1970s-1999)
- **d) Period 7 (2000-today) ✓ correct**

True/False (23)

Q34. *[True/False] · Bloom's: Understand*

Strategic purchasing practices are essential for helping companies maintain their competitive positions in rapidly changing business environments.

- **a) true ✓ correct**
- **b)** false

Correct answer: True

Q35. *[True/False] · Bloom's: Understand*

For most US firms, offshoring is the most reliable source of manufactured components which consistently meet high quality standards.

- **a)** true
- **b) false ✓ correct**

Correct answer: False

Q36. *[True/False]*

Today's customers are very resistant to price increases and, in fact, often demand discounts.

- **a) true ✓ correct**
- **b)** false

Correct answer: True

Q37. *[True/False] · Bloom's: Understand*

Today's consumers are used to enjoying variety of product offerings, low prices, and customized services.

- **a) true ✓ correct**
- **b)** false

Correct answer: True

Q38. *[True/False] · Bloom's: Understand*

The increase in volatility, uncertainty, complexity, and ambiguity associated with long supply chains has led to an interest in reshoring and nearshoring.

- **a) true ✓ correct**
- **b)** false

Correct answer: True

Q39. *[True/False] · Bloom's: Understand*

A firm's supply chain is only as strong as its least-competitive supplier.

a) true ✓ correct

b) false

Correct answer: True

Q40. *[True/False] · Bloom's: Understand*

On average, in the manufacturing sector, more than half of every sales revenue dollar goes back to suppliers.

a) true ✓ correct

b) false

Correct answer: True

Q41. *[True/False] · Bloom's: Understand*

The traditional approach to purchasing and supply management is to build relationships with suppliers and work jointly to reduce costs and improve quality.

a) true

b) false ✓ correct

Correct answer: False

Q42. *[True/False] · Bloom's: Understand*

Few of the product features that become part of a firm's final products originate with suppliers.

a) true

b) false ✓ correct

Correct answer: False

Q43. *[True/False] · Bloom's: Understand*

Purchasing and supply management have a major impact on product and service quality.

a) true ✓ correct

b) false

Correct answer: True

Q44. *[True/False] · Bloom's: Understand*

Supply management involves activities not found in traditional purchasing.

a) true ✓ correct

b) false

Correct answer: True

Q45. *[True/False] · Bloom's: Understand*

The routine ordering and follow-up of basic operational supplies is a strategic responsibility.

a) true

b) false ✓ correct

Correct answer: False

Q46. *[True/False] · Bloom's: Understand*

Supply chain management rarely requires coordination of activities that extend across organizational boundaries.

a) true

b) false ✓ correct

Correct answer: False

Q47. [True/False] · Bloom's: Remember

According to Michael Porter, a firm's value chain is composed of primary and support activities that, when configured properly, can lead to competitive advantage.

- **a) true ✓ correct**
- **b)** false

Correct answer: True

Q48. [True/False] · Bloom's: Remember

One of purchasing's responsibilities is sourcing indirect goods and services required by internal groups.

- **a) true ✓ correct**
- **b)** false

Correct answer: True

Q49. [True/False] · Bloom's: Remember

D A distribution manager would be responsible for addressing product damage that occurred in handling materials at the receiving dock.

- **a)** true
- **b) false ✓ correct**

Correct answer: False

Q50. [True/False] · Bloom's: Understand

Today's emphasis on supplier quality has focused on preventing defects early in the materials-sourcing process rather than detecting defects at the time of receipt.

- **a) true ✓ correct**
- **b)** false

Correct answer: True

Q51. [True/False] · Bloom's: Remember

Well-trained, highly-skilled employees are essential for any company's success.

- **a) true ✓ correct**
- **b)** false

Correct answer: True

Q52. [True/False] · Bloom's: Understand

If a firm can't easily raise the price of its products , maintaining long-term profits requires actively managing costs.

- **a) true ✓ correct**
- **b)** false

Correct answer: True

Q53. [True/False] · Bloom's: Remember

The formal organization chart portrays the entirety of the workings of an organization.

- **a)** true
- **b) false ✓ correct**

Correct answer: False

Q54. *[True/False] · Bloom’s: Remember*

There are a definitive and prescriptive set of supply chain measures that provide one best way to measure supply chain performance.

- **a)** true
- **b) false ✓ correct**

Correct answer: False

Q55. *[True/False] · Bloom’s: Understand*

Supply chain software can be grouped into two general categories: planning and execution.

- **a) true ✓ correct**
- **b)** false

Correct answer: True

Q56. *[True/False] · Bloom’s: Remember*

During the Quiet Years (1947-Mid-1960s) of purchasing and supply chain management evolution, firms faced stable competition and had access to abundant material. These conditions diminished the overall importance of purchasing.

- **a) true ✓ correct**
- **b)** false

Correct answer: True