

## 100% Pass Guaranteed Accurate L5M2 Answers 365 Days Free Updates [Q26-Q45]



**100% Pass Guaranteed Accurate L5M2 Answers  
365 Days Free Updates [Q26-Q45]**

### **100% Pass Guaranteed Accurate L5M2 Answers 365 Days Free Updates L5M2 DUMPS Q&As with Explanations Verified & Correct Answers Q26. SA 8000 is an alternative to which ISO?**

- \* 9001
- \* 27000
- \* 310000
- \* 20400

Explanation

SA8000 is Social Accountability, this is an alternative to ISO 20400 which is Sustainable Procurement. This is explained on p.53 of the study guide. ISOs are a popular exam topic, so ensure you know these four mentioned here before the exam

### **Q27. Which of the following will you put into box 8?**

- \* new technology
- \* forward contract
- \* outsource
- \* insurance

Explanation

Table Description automatically generated

	Type of Risk	Possible Solution
Risk 1	Operational	New Technology
Risk 2	Hazard	Insurance
Risk 3	Strategic	Outsource
Risk 4	Financial	Forward Contract

A forward contract would fix the exchange rate at a certain level, allowing for cost certainty. This mitigates the risk of the currency getting any weaker.

**Q28.** Which of the following statements is true about ISO9001? Select TWO.

- \* it is based on the principle of continuous improvement
- \* it encourages businesses to see quality from the viewpoint of the customer
- \* it aims to ensure sustainability within the supply chain
- \* It complements ISO 20400
- \* it helps businesses to identify areas of potential risk and mitigate these accordingly

Explanation

ISO 9001 is Quality Management- answers 1 and 2 are correct. ISOs are a popular topic on this exam so be sure to revise them &#8211; and not only what the names of them are, but also the principles behind each ISO. ISO

9001 is discussed on p. 25 of the CIPS study guide.

**Q29.** Khalid is a procurement manager who works at a manufacturing organisation based in the UK. The organisation creates building fabric materials by converting raw materials such as steel into useable items in the construction industry. Khalid sources most of his steel internationally due to competitive prices. On one occasion with his usual supplier, the ship that is carrying the materials sinks due to an unexpected storm.

Which clause would be activated within the contract?

- \* force majeure
- \* liability clause
- \* transportation clause
- \* breach of contract

Explanation

this is an example of force majeure. Force majeure is a popular exam topic and comes up in chapter 2.1 p. 66.

A force majeure is when an event, such as a storm, happens which affects the delivery of the contract, but over which neither party has any control.

**Q30.** Which of the following will you put into box 6?

- \* strategic
- \* intellectual property
- \* environment
- \* operational

Explanation

The correct answers are as follows:

Table Description automatically generated

	Issue	Contract Clause
Risk 1	Intellectual Property	NDA
Risk 2	Environmental	Force Majeure
Risk 3	Strategic	Conformance Specification
Risk 4	Operational	Service Credits

**Q31.** The UK Companies (Miscellaneous Reporting) Regulations 2018 states that organisations with more than 250 employees must do what?

- \* Publish an Anti-Slavery Policy
- \* Provide an annual financial statement
- \* Demonstrate how they abide by Environmental practices
- \* Publish a summary of how directors have engaged with employees

Explanation

The correct answer is 'publish a summary of how the directors have engaged with employees'. For more information on this piece of legislation see p. 145

**Q32.** Which of the following is not a benefit of having a contingency plan?

- \* competitive advantage
- \* increased staff morale
- \* greater resilience to force majeure events
- \* increased profits

Explanation

Contingency plans won't increase your profit, but they will do the other three things. This is from p.109-110 of the study guide

**Q33.** Which of the following will you put into box 5?

- \* service credits
- \* NDA
- \* Conformance Specification
- \* Force Majeure

Explanation

The correct answers are as follows:

Table Description automatically generated

	Issue	Contract Clause
Risk 1	Intellectual Property	NDA
Risk 2	Environmental	Force Majeure
Risk 3	Strategic	Conformance Specification
Risk 4	Operational	Service Credits

**Q34.** What is the purpose of an indemnity clause within a contract?

- \* to assign risk to each party
- \* to ensure both parties are adequately insured if something were to go wrong
- \* to transfer risk from one party to another
- \* to explain what would happen in the case of a force majeure

Explanation

Indemnity clauses transfer risk from one party to another. It is an arrangement whereby one party promises to compensate the other party for a trigger event. An example of an indemnity clause could be a construction firm is building a new bridge and the project is supposed to be completed by 1st June. An indemnity clause may state that should the bridge not be ready by this date, the construction firm will compensate the buyer by X amount. See p.61 for more information on indemnity.

**Q35.** The CBCI and DBCI are professional qualifications in which area?

- \* supply chain management
- \* ethical business practices
- \* environmental improvements
- \* business continuity

Explanation

These are qualifications in business continuity. This comes from p.107 of the study guide. CBCI stands for Certificate of the Business Continuity Institute and DBCI Diploma of the Business Continuity Institute. Once you know what the acronyms stand for, the question is quite easy!

**Q36.** Neruda Incorporated is evaluating potential suppliers' financial standings as part of a tender. Which of the following companies is the most financially stable?

- \* Company A has a high gearing ratio, high liquidity and few fixed assets
- \* Company B has low liquidity, a high gearing ratio and increasing sales trends
- \* Company C has low liquidity, low gearing and increasing sales trend
- \* Company D has high liquidity, low gearing and lots of fixed assets

Explanation

Company D is the strongest. You want a company with high liquidity (this means they can easily pay any debts) and low gearing (meaning that their company isn't financed by debt). This question comes from p.24 of the CIPS study guide. It doesn't go into a lot of detail on financial ratios and gearing, as this was covered in Level 4. If you're rusty on financial ratios and gearing I recommend revising these before the exam.

**Q37.** What is the job of an underwriter?

- \* to assist a buyer in selecting the correct insurance
- \* to advise required insurance levels for a contract
- \* to evaluate insurance applications
- \* to determine the validity of an insurance claim

Explanation

An underwriter evaluates insurance applications. Learn the difference between Insurance Underwriters and Claims Adjusters for the exam; this is a known topic. (A claims adjuster determines the validity of an insurance claim).

**Q38.** Envy Manufacturing has several factories located in countries with poor reputations for human rights. It is concerned about potential risks of child labour being used within the supply chain. Envy Manufacturing has therefore decided to enlist the support of a third party auditing company to audit its factories. How should these audits be conducted? Select TWO

- \* organised well in advance to allow the factory managers to prepare for the audit

- \* conduct on the spot visits with no warning
- \* conduct group interviews with workers to ensure that all voices are heard
- \* conduct private meetings with a selection of workers

Explanation

2 and 4 are correct. Audits should be unscheduled so that any issues can't be covered up in advance. Interviews with workers should also be conducted in private as this will allow them to speak their mind with confidence.

Where interviews are conducted as a group there may be peer-pressure to say the correct thing, especially if there are managers around. see p.88 for information on Audits

**Q39.** In an organisation, who is responsible for creating a risk assessment register?

- \* the CEO
- \* Procurement Manager
- \* Risk Manager / H+S Manager
- \* Cross-Functional Team

Explanation

A Cross Functional Team should create a risk register. It shouldn't be the responsibility of one person to do this- more points of view will lead to more risks being identified. Accountability for the Risk Register may however sit with the CEO or a Department Manager. This is explained on p. 132

**Q40.** Company X is a large company which is traded on the UK stock exchange. According to the Companies (Miscellaneous Reporting) Regulations 2018- is it obligatory for Company X to follow a Corporate Governance Code?

- \* yes- all companies in the UK must follow this
- \* yes- all companies trading on the stock exchange must do this
- \* no- corporate governance codes are not mandatory
- \* no- but if it doesn't follow a Corporate Governance Code it must explain the reasons why not

Explanation

The correct answer is 4; the policy is 'comply or explain'; basically say which code you follow, or explain (publicly) why you're not following one. See p. 145 for more information on this

**Q41.** ISO 31000 is built on 11 guiding principles. Identify THREE of these.

- \* Risk management can create value
- \* Risk Management should take into account company culture
- \* Risk Management should address uncertainty faced by the organisation
- \* Risk Management should be done annually
- \* Risk Management should include only the Departments affected by risk

Explanation

The first three sentences are true about ISO 31000. The list of the 11 principles are from p. 140. ISO 3100 is a known exam topic.

**Q42.** Chloe is a procurement manager at Ruby Company. She has been asked to join a cross-functional team to review the company's risk appetite, potential risks within the supply chain and brainstorm mitigating actions.

Chloe has suggested that the cross-functional team should first draw up a list of potential supply chain risks and potential strategies to overcome the risks. Is Chloe correct?

- \* yes- the first thing the team should look at are the risks and categorise these by topic
- \* yes- the team should focus on creating a risk register and strategies for mitigating risks as quickly as possible

- \* no- the team should review the company's risk appetite before creating a risk register
- \* no- Chloe should first speak with suppliers before drawing up the list of potential supply chain risks

Explanation

The correct answer is 3 &#8216;no- the team should review the company's risk appetite before creating a risk register&#8217;.

This questions tests to see if you understand what risk appetite is and when this should be reviewed. Risk appetite is the first stage in developing any plan as it will influence the next stages. For example if the company has a large risk appetite, this would affect how they would classify risks and what mitigating actions they would take. Risk appetite is explained in chapter 1.1 (p.4) but it also comes up in Learning Outcome 3

**Q43.** Fraud committed by an employee within a business is what type of risk?

- \* internal risk
- \* external risk
- \* procurement risk
- \* economic risk

Explanation

This is an internal risk. A procurement risk would be issues with a supplier or contract, and economic risk would be exchange rate fluctuations etc. See p.118 for more information on internal risks- it&#8217;s a known exam topic

**Q44.** Which of the following will you put into box 5?

- \* new technology

(Correct)

- \* forward contract
- \* outsource
- \* insurance

Explanation

	Type of Risk	Possible Solution
Risk 1	Operational	New Technology
Risk 2	Hazard	Insurance
Risk 3	Strategic	Outsource
Risk 4	Financial	Forward Contract

New technology (ie a new web portal or payment mechanism) would help treat this risk.

**Q45.** Which of these is a type of Intellectual Property protection? Select TWO

- \* Warranty
- \* Condition
- \* Patent
- \* Trademark

Explanation

Patent and Trademark are types of IP protection. There are 4 in total &#8211; the other two are copywrite and trade secret. This is covered on p.63-64 of the study guide

**L5M2 dumps Exam Material with 117 Questions:** <https://www.dumpsmaterials.com/L5M2-real-torrent.html>