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- C. Expectancy theory.
- D. Scientific management.
- E. Motivation-Hygiene theory.

Answer: C

7. Which of the following methods should a purchasing manager use when evaluating individual employee performance?

- A. Performance standards set by the U.S. Department of Labor.
- B. The requirements of the job, including position descriptions.
- C. Management By Objectives, whether or not the employee helped set the objectives.
- D. Uniform company-wide standards of performance developed by the human resources department.

Answer: B

8. You work as a purchasing manager at Certkiller .com. An employee that has been at Certkiller .com for 20-years has become accustomed to coming to work 30-45 minutes late. Initially, this was due to child-rearing responsibilities, but now is a simply habit. The supervisor has asked the employee several times if there was a problem and the answer has always been "no." The problem is beginning to have a negative impact on the morale of the rest of the department. Which of the following would be your BEST course of action in this situation?

- A. Dismiss the employee.
- B. Have the employee attend counseling sessions.
- C. Ask the human resources department to intervene and find a solution to the problem.
- D. Set goals with the employee to improve on arrival time, and include a written report in the employee's file.

Answer: D

9. Which of the following is LEAST important when evaluating buyer performance?

- A. Quality of work.
- B. Quantity of work.
- C. Personal appearance.
- D. Communication skills.

Answer: C

10. Which of the following is NOT a good indicator of purchasing department performance?

- A. Quality rejection rates for major items.
- B. Number of purchase orders issued.
- C. Percentage of on-time deliveries.
- D. Number of stockout situations.

Answer: B

11. Which of the following statements regarding the orientation of a buyer trainee are FALSE?

- A. The trainee should be informed of personal growth opportunities.
- B. Orientation and training should be conducted separately during the trainee's initial months on the job.
- C. The trainee should be informed that his/her performance will be evaluated during orientation and later on.
- D. The trainee should be advised of purchasing's major staff and line activities.

Answer: B

12. Certkiller .com has more than 10,000 employees located on two regional branches and on several smaller branches. Annual purchases of goods and services for Certkiller .com exceed \$150 million. In which of the following ways would Certkiller .com LEAST likely benefit from a highly centralized purchasing function?

- A. Improvements due to decreased duplication of effort.
- B. Adherence to organization-wide standards and objectives.
- C. Savings from standardization and improved economies of scale.
- D. Satisfaction of product and source preferences for internal customers.

Answer: D

13. Which of the following is NOT an appropriate measure of performance for a purchasing department?

- A. Average time to place requisitions.
- B. Total dollars contributed to profits.
- C. Total dollars purchased per supplier.
- D. Total product cost reduction compared to budget.

Answer: C

14. You work as a purchasing manager at Certkiller .com. One of your buyers tends to ignore outstanding purchase orders. This has resulted in numerous complaints from the shop floor asking the buyer to determine order status. Which of the following would be your BEST course of action in this situation?

- A. Inform the buyer to set up a system for follow-up.
- B. Computerize the purchasing department operations.
- C. Allow shop floor personnel to make their own purchases.
- D. Inform the buyer that she will be dismissed if she does not improve her performance.

Answer: B

15. Which of the following is generally NOT strategic in nature?

- A. New advertising schedule implementation.
- B. New dividend policy direction.
- C. New product development.
- D. New sources of financing.

Answer: A

16. You work as a purchasing manager at Certkiller .com. A female employee has been working for Certkiller .com for about 12 years and has 3 years to go until her scheduled retirement. Recently, she was laid off from her position, and her duties were absorbed by younger workers in the department. Under which of the following is she MOST likely to have a claim against the company?

- A. Equal Employment Opportunity Act.
- B. National Labor Relations Act.
- C. Age Discrimination Act.
- D. Executive Order 11246.

Answer: C

17. Which of the following would NOT be included in a typical audit of the purchasing department in a manufacturing operation?

- A. Inspection.
- B. Organization policy.
- C. Purchasing operations.
- D. Inventory management.

Answer: A

18. Which of the following does profit planning begin?

- A. Business plans.
- B. Long-range strategic plans.
- C. Short-range strategic plans.
- D. Strategic and operational plans.

Answer: D

19. In which of the following defines a situation where objectives are more general at the top of an organization and become more specific as one moves down the organization?

- A. Hierarchy of objectives.
- B. Management By Objectives (MBO).
- C. Decision support system.
- D. Goal setting.

Answer: A

20. Which of the following is NOT an advantage of promoting from within the purchasing organization?

- A. Keeping morale high.
- B. Reducing training costs.
- C. Stimulating individual performance.
- D. Bringing experience in complementary areas.

Answer: D

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