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Exam : L5M5

Title : CORE Level 5 Manging Ethical Procurement and Supply

Version : DEMO

1.The unethical practice of using information that is not publicly available to trade on the stock market is commonly known as what?
A. bribery
B. kickback
C. insider trading
D. greasing the wheels
Answer: C
Explanation:
This is Insider Trading- the definition is on p.2

2.Which of the following form the 'Triple Bottom Line'? Select THREE
A. people
B. planet
C. product
D. profit
E. placement
Answer: A,B,D
Explanation:
People, Planet and Profit are the 'triple bottom line' - see p.3 of the study guide. This is also known as the 3Ps

3.Which organisation is responsible for the creation of the 2030 Sustainable Development Agenda?
A. UN
B. NATO
C. ISO
D. ILO
Answer: A
Explanation:
This is the UN. There are 17 sustainability goals and these are listed on p.3. For the exam it's a good idea to familiarise yourself with them, but there's no need to learn them all off-by-heart.

4.Which of the following are benefits to sustainable business practices? Select TWO
A. increased productivity and reduced waste
B. competitive advantage
C. weakened performance
D. increased spending
Answer: A,B
Explanation:
The two benefits are increased productivity and reduced waste and competitive advantage. The other two options are potential downsides. These types of questions in the exam are pretty straight forward- just look for the logical answer. Benefits and risks of sustainable practices are explained on p.11-14

5.Ruben is a new Procurement Manager at XYZ Company. He has been charged with buying a new piece of machinery for a factory. Having looked at several options, and considered sustainability, he has

opted to buy the more expensive piece of machinery.
In terms of sustainability, why might he have made this choice?
A. The higher priced item will be of better quality
B. The higher priced item is from a more reputable company
C. In terms of life-cycle costing the more expensive item may be cheaper in the long term
D. The more expensive piece of equipment will be more environmentally friendly
Answer: C
Explanation:
3 is the correct answer. This question is testing if you know about Whole Life Cycle Costing. You'll have come across this already at level 4 (module 7). It's a big part of sustainability. See p.14 for a quick recap on this. In terms of this question, even if you don't remember life-cycle costing, options 1 2 and 4 can't be right- we don't have information in the question that tells us that the higher priced item is better quality, from a reputable company or environmentally friendly- we just don't know based on the information we've been given so these answers can't be right.