1. A professional buyer is usually interested in getting the minimum quality necessary to perform its function satisfactory.

   (1) **True**
   (2) False

2. A quotation request from prospective suppliers should include:-

   (1) Quantity required
   (2) Complete specifications
   (3) Deadline for submission of quotation
   (4) **All of the above**

3. Purchase at higher price may be justified if the goods are available ________________.

   (1) **On consignment basis**
   (2) On annual order basis
   (3) On guaranteed quality
   (4) On monthly lot basis

4. Normally, out of the various buying objectives, ____________ is most important.

   (1) Favourable supplier relations
   (2) Low price
   (3) Timely delivery
   (4) **Quality**

5. Advantage of single source is that:-

   (1) Buyer can make maximum use of buying power
   (2) Administrative costs are low
   (3) Suppliers offer special price concessions
   (4) **All of the above**

6. In supplier segmentation value matrix where price dominates other factors fall in:-

   (1) Low Risk- Low Spend category
   (2) High Risk- Low Spend category
   (3) High Risk- High Spend category
   (4) **Low Risk- High Spend category**
7. While measuring performance of Materials Department, deviations from operating budgets can be reviewed ________________.

   (1) **Monthly**  
   (2) Weekly  
   (3) Annually  
   (4) Daily

8. Supplier's price performance is calculated as % of performance = (____________/actual price) X 100.

   (1) **Lowest price by any other vendor**  
   (2) Lowest price by the same vendor in the year  
   (3) Highest price by any vendor  
   (4) None of the above

9. Performance of a purchase department in meeting the price objective can be measured through:-

   (1) Comparing actual costs with the materials budget  
   (2) Price indexes  
   (3) Cost-reduction reports  
   (4) **All of the above**

10. Typical quality scoring formula for vendor rating Quality conformance = 100 - 30 (____________)/Acceptable quality level.

    (1) Percent accepted  
    (2) **Percent defective**  
    (3) Percent lots accepted in previous year  
    (4) None of the above

11. Many early benefits such as balance & flow & shorter order-to-delivery time can be realized by working on some of stage 1 ________________.

    (1) Lean maintenance  
    (2) Lean mid passage  
    (3) **Lean fundamentals**  
    (4) None of the above

12. The ability to produce in small lot sizes is dependent on ________________.

    (1) Longer production cycles  
    (2) **Short production cycles and rapid changeover capacity**  
    (3) Work-in-process inventory levels  
    (4) Raw material stock availability
13. Lean balance and training is ________________.

(1) Full utilization of all lines all the time
(2) Worker trained to do only one repetitive job all the time
(3) Abandoning full utilization of all lines all the time and cross training of labour
(4) None of the above

14. Every plant has a bottle neck and whenever one is opened another appears.

(1) True
(2) False

15. __________ is becoming a major hub for procurement outsourcing.

(1) Vietnam
(2) India
(3) Philippines
(4) Taiwan