APICS Certified in Planning and Inventory Management (CPIM) Exam 1 Practice (Sample)

Study Guide

Everything you need from our exam experts!

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- **Practice answering questions under realistic conditions,**
- **Improve accuracy and speed,**
- **Review explanations to strengthen weak areas, and**
- **Approach the exam with greater confidence.**

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here’s how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don’t just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There’s no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

1. **Electronic standard for exchanging business documents between organizations**

   A. Drum schedule

   B. Dock-2-stock

   C. Electronic data interchange (EDI)

   D. Distribution warehouse

2. **What is the term for information detailing the manufacturing path of a product, including the sequence of operations and the work centers involved?**

   A. Routing

   B. Seasonal inventory

   C. Shipping manifest

   D. Single-level bill of material

3. **What measure indicates the time a job remains at a work center after an operation is completed until it moves to the next operation?**

   A. Velocity

   B. Wall-2-wall inventory

   C. Wait time

   D. U-lines

4. **Which term is described as a TOC technique for mapping the general flow of parts and products and is abbreviated VATI?**

   A. VATI Analysis

   B. Zone picking

   C. Yokoten

   D. Zone

5. **What term describes the capability to identify the sources of a given item's gross requirements and/or allocations?**

   A. Demand forecasting

   B. Bills of materials

   C. Pegging

   D. Material requirements planning

6. Which type of cost includes warranty and returns?

A. Internal failure costs

B. Appraisal costs

C. External failure costs

D. Prevention costs

7. Which statement describes the integration of MRP output with financial reports such as the business plan, purchase commitment report, shipping budget, and inventory projections in dollars?

A. It is used to schedule production only

B. It produces daily reports

C. Its output is integrated with financial reports such as the business plan, purchase commitment report, shipping budget, and inventory projections in dollars

D. It replaces financial planning

8. Which set of concepts focuses on reducing variability in processes and defects in products, often cited as a standard with 3.4 defects per million opportunities?

A. Lean manufacturing

B. Total Quality Management

C. Continuous improvement

D. Six Sigma quality

9. Which technique translates the master production schedule into required resources and helps determine feasibility given capacity constraints?

A. Purchase requisition

B. Rough-cut capacity planning (RCCP)

C. Quick changeover

D. Radio frequency identification tag (RFID)

10. Which term describes the total costs associated with poor quality products or services, including internal and external failure costs, appraisal, and prevention?

A. Cost of quality

B. Quality costs

C. Total quality costs

D. Cost of poor quality

Answers

1. C
2. A
3. C
4. A
5. C
6. C
7. C
8. D
9. B
10. D

Explanations

1. Electronic standard for exchanging business documents between organizations

A. Drum schedule

B. Dock-2-stock

C. Electronic data interchange (EDI)

D. Distribution warehouse

Electronic data interchange, or EDI, is the established approach for standardizing and transmitting business documents between organizations. It defines the formats and transmission methods for messages such as purchase orders, invoices, and shipping notices, allowing trading partners to exchange data automatically without manual entry. This speeds processing, improves accuracy, and enables integrated supply-chain workflows. The other terms aren't about electronic document exchange—drum schedule is a production planning tool for sequencing work, dock-to-stock relates to inbound receiving and putting away in inventory, and a distribution warehouse is a facility type used to store and distribute goods.

2. What is the term for information detailing the manufacturing path of a product, including the sequence of operations and the work centers involved?

A. Routing

B. Seasonal inventory

C. Shipping manifest

D. Single-level bill of material

Routing defines the path a product follows on the shop floor—the sequence of operations and the work centers (machines or labor groups) that perform each step. It specifies where each operation is done and often includes times, setup requirements, and the order of steps needed to convert raw materials into finished goods. This makes routing a key driver for scheduling, capacity planning, and shop-floor control. A bill of materials, in contrast, lists the components needed to build the product, not the process steps. A shipping manifest is about the items being transported, and seasonal inventory concerns stock levels over time rather than the production path.

3. What measure indicates the time a job remains at a work center after an operation is completed until it moves to the next operation?

A. Velocity

B. Wall-2-wall inventory

C. Wait time

D. U-lines

The measure captures the idle period a job experiences between operations. After finishing one operation, the job may sit at the work center waiting for the next operation to begin due to capacity constraints, setup, or material availability. This waiting time is what we're measuring when we talk about wait time. It's a key portion of lead time and directly impacts flow and overall efficiency, since reducing this idle time helps move jobs through the plant more quickly with less accumulated WIP. Velocity describes a rate, not this specific idle interval; wall-to-wall inventory refers to the amount of stock spread across a space, not the time a job spends waiting; and U-lines are a layout concept, not a measure of time between operations.

4. Which term is described as a TOC technique for mapping the general flow of parts and products and is abbreviated VATI?

A. VATI Analysis

B. Zone picking

C. Yokoten

D. Zone

In TOC, VATI Analysis is a technique used to map the overall path parts and products follow from start to finish and to distinguish value-added activity from non-value-added activity along that flow. By laying out the general flow, it helps teams see where time is spent on actual value creation versus waste, making it easier to spot delays, redundancies, or unnecessary steps that can be removed or streamlined. This high-level view supports targeted improvements and better alignment of the process, especially around bottlenecks and flow efficiency. The other options don't fit this mapping approach: zone picking is a warehouse method for organized picking by zones, Yokoten is the practice of sharing improvements laterally across locations, and a zone is simply a designated area. None of these specifically describe a TOC technique for mapping the general flow of parts and products.

5. What term describes the capability to identify the sources of a given item's gross requirements and/or allocations?

A. Demand forecasting

B. Bills of materials

C. Pegging

D. Material requirements planning

Pegging is the ability to trace a component's demand back to its source, showing exactly which parent item, customer order, or allocation created a given gross requirement. This traceability is crucial when you need to understand why a component is needed, allocate scarce supply to specific orders, or analyze how changes in one demand source affect others. In practice, pegging ties a specific unit of demand to its origin, whether that's a higher-level assembly, a customer order, or a production plan, so planners can see where every requirement came from and respond accordingly. Demand forecasting looks ahead to expected demand in general, not to the specific source of a current requirement. Bills of materials describe the product structure and how components come together, but they don't map each demand unit to its source. Material requirements planning is the overall planning approach that uses BOMs and lead times to compute needs, but pegging is the feature that provides the traceability from demand to source.

6. Which type of cost includes warranty and returns?

A. Internal failure costs

B. Appraisal costs

C. External failure costs

D. Prevention costs

Warranty and returns are costs that show up after the product has reached the customer, reflecting defects observed in the field. This places them under external failure costs—the part of quality costs that arises from problems encountered by customers once the product is in use. They include warranty claims, returns, service and replacement costs, and any lost reputation or customer dissatisfaction tied to delivered defects. This differs from internal failure costs, which are defects found before the product leaves the production process (like scrap and rework), and from prevention costs (spending to stop defects in the first place) and appraisal costs (inspection and testing to detect defects). So warranty and returns align with external failures because they occur post-delivery and are attributed to product failures experienced by customers.

7. Which statement describes the integration of MRP output with financial reports such as the business plan, purchase commitment report, shipping budget, and inventory projections in dollars?

A. It is used to schedule production only

B. It produces daily reports

C. Its output is integrated with financial reports such as the business plan, purchase commitment report, shipping budget, and inventory projections in dollars

D. It replaces financial planning

The main idea is that MRP outputs are tied to dollars and used to support financial planning, not just operational scheduling. Material requirements and timing produced by MRP need to be expressed in monetary terms so they can be connected to the business plan, purchase commitments, shipping budgets, and inventory projections. When the output is integrated into these financial reports, you can see how production and procurement decisions will translate into cash outlays, inventory carrying costs, and overall financial impact. This alignment helps ensure the plans are financially feasible and coordinated across operations and finance. The other options miss this point: MRP does more than schedule production, and the key purpose here is the monetary integration with financial reports. It's not solely about producing daily reports, and MRP does not replace financial planning.

8. Which set of concepts focuses on reducing variability in processes and defects in products, often cited as a standard with 3.4 defects per million opportunities?

A. Lean manufacturing

B. Total Quality Management

C. Continuous improvement

D. Six Sigma quality

Six Sigma quality centers on reducing variability in processes and the number of defects in products. It aims for very near-perfect performance, often quantified as 3.4 defects per million opportunities—the six-sigma level. This target comes from a data-driven approach that uses DMAIC for improving existing processes, along with statistical tools to understand and control variation. Lean focuses on eliminating waste and improving flow, not on a specific defect-rate target. Total Quality Management is a broad organizational quality philosophy rather than a defined metric. Continuous improvement is a general mindset of ongoing enhancements without prescribing a fixed defect-rate standard.

9. Which technique translates the master production schedule into required resources and helps determine feasibility given capacity constraints?

A. Purchase requisition

B. Rough-cut capacity planning (RCCP)

C. Quick changeover

D. Radio frequency identification tag (RFID)

Rough-cut capacity planning translates the master production schedule into an estimated capacity load for the major work centers and time periods, then compares that load with available capacity to see if the plan is feasible given constraints. It uses aggregated, rough data to identify bottlenecks and timing issues, highlighting where capacity may be insufficient and prompting adjustments such as leveling the plan, adding overtime, outsourcing, or re-sequencing. The other options don't perform this translation: a purchase requisition is about obtaining materials, quick changeover focuses on reducing setup times, and RFID is a tracking technology.

10. Which term describes the total costs associated with poor quality products or services, including internal and external failure costs, appraisal, and prevention?

A. Cost of quality

B. Quality costs

C. Total quality costs

D. Cost of poor quality

The main idea is that the total costs from not meeting quality standards are captured by the cost of poor quality. This figure adds up the four standard categories: prevention costs (activities to avoid defects), appraisal costs (inspections and testing to detect defects), internal failure costs (defects found before delivery), and external failure costs (defects found after delivery). When you sum these, you get the economic impact caused by poor quality—the cost of poor quality. While some people use COQ to mean quality-related costs in general, the term that specifically refers to the costs arising from poor quality is cost of poor quality.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

https://apicscpim1.examzify.com

We wish you the very best on your exam journey. You've got this!