APICS CERTIFIED IN PLANNING AND INVENTORY MANAGEMENT (CPIM) EXAM 1 PRACTICE (SAMPLE)

STUDY GUIDE

SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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Table of Contents

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. Which system uses electronic tags to store data about items and allows data retrieval without close proximity or line of sight?

A. Random-location storage

B. Radio frequency identification tag (RFID)

C. Purchase requisition

D. Product layout

2. Which technique for capacity control monitors planned and actual inputs and outputs of a work center, with planned inputs and outputs developed by CRP and approved by management?

A. Input/output control (I/O)

B. Infinite loading

C. CRP

D. Kanban

3. Which JIT philosophy describes level production throughout the supply chain to match the planned rate of end product sales?

A. Jidoka

B. Kaizen

C. Heijunka

D. Andon

4. Which production planning approach keeps a stable output rate and adjusts inventory levels to meet demand?

A. Level schedule

B. Lead-time offset

C. Landed cost

D. Level production method

5. What is manufacturing lead time?

A. Manufacturing lead time

B. Procurement lead time

C. Cycle time

D. Delivery lead time

6. What facility layout groups operations of similar nature or function together and is based on departmental specialties?

A. Product layout

B. Cellular layout

C. Fixed-position layout

D. Functional layout

7. Which process determines in detail the labor and machine resources needed to complete a production task; inputs are open orders and planned orders; checks across all time periods?

A. Capacity requirements planning (CRP)

B. Capacity planning

C. Cellular manufacturing

D. Chase production method

8. Final assembly schedule applies to which environments?

A. Make-to-order or assemble-to-order environments

B. Make-to-stock

C. Engineer-to-order

D. Assemble-to-stock

9. Program where specific quality and packaging requirements are met before the product is released; prequalified goods are shipped directly into the customer's inventory; eliminates costly handling of components and enables them to move into production

A. Dock-2-stock

B. Distribution center

C. Distribution inventory

D. EDI

10. Which concept minimizes all resources used in enterprise activities, including time?

A. Level schedule

B. Landed cost

C. Lean production

D. Load

Answers

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

Explanations

1. Which system uses electronic tags to store data about items and allows data retrieval without close proximity or line of sight?

A. Random-location storage

B. Radio frequency identification tag (RFID)

C. Purchase requisition

D. Product layout

The main idea is identifying and tracking items with electronic tags that can be read without direct sight or close proximity. Electronic tagging stored on the item lets a reader pull data via radio waves, so you don't need to scan the tag visually or be right next to it. This is RFID, which can read tags through packaging or at a distance, using a reader and antenna to retrieve the stored information. RFID tags can be passive (no internal power, activated by the reader) or active (powered tag with its own battery), and they enable real-time inventory visibility and faster data capture in many operations. Other options don't fit this concept: random-location storage is about where items are kept, not how data about them is captured; a purchase requisition is a purchasing document; and product layout refers to how equipment and workstations are arranged.

2. Which technique for capacity control monitors planned and actual inputs and outputs of a work center, with planned inputs and outputs developed by CRP and approved by management?

A. Input/output control (I/O)

B. Infinite loading

C. CRP

D. Kanban

The technique being tested is about watching how a work center actually performs against what was planned, using a formal baseline developed through planning. In this approach, planned inputs and planned outputs are created by Capacity Requirements Planning (CRP) and then approved by management to establish the approved workload. On the shop floor, actual inputs and actual outputs are tracked, and variances between what was planned and what actually happened are monitored. This allows you to detect when a work center is over- or under-loaded and take timely corrective actions to keep capacity in balance. Infinite loading would ignore capacity limits and push schedules regardless of feasibility. CRP itself is the planning step that computes the required capacity and the planned inputs/outputs, but it doesn't perform the ongoing monitoring of actual performance. Kanban governs material flow with a pull system and does not focus on monitoring capacity against a planned baseline.

3. Which JIT philosophy describes level production throughout the supply chain to match the planned rate of end product sales?

A. Jidoka

B. Kaizen

C. Heijunka

D. Andon

Level production to match demand means smoothing the production schedule so output runs at a constant pace that aligns with the planned rate of sales. This idea is embodied in Heijunka, which aims to level both production volume and product mix across time and the supply chain. By producing at a steady rate and distributing work evenly, the system reduces inventory, avoids peak loads, and helps ensure a reliable flow that matches customer demand. Jidoka focuses on quality at the source and the ability to stop the line to fix defects. Kaizen is about ongoing improvement. Andon is the signaling system that alerts when problems occur. The described approach—steady, leveled production to match sales rate—best fits Heijunka.

4. Which production planning approach keeps a stable output rate and adjusts inventory levels to meet demand?

A. Level schedule

B. Lead-time offset

C. Landed cost

D. Level production method

The main idea here is producing at a constant rate and using inventory as the buffer to meet varying demand. This approach, known as level production, keeps the output pace steady across the planning horizon. When demand rises or falls, production stays the same while inventory is built up or drawn down to absorb these differences. This stabilizes operations, reduces the need for changes in labor or setup, and smooths the schedule, though it may raise inventory carrying costs. This is why the level production method is the best fit: it explicitly aims to maintain a stable output rate and uses inventory levels to absorb demand fluctuations. The other concepts aren't about keeping output constant while buffering with inventory; they involve prioritizing lead times, cost calculations, or different scheduling interpretations that don't center on a fixed production rate.

5. What is manufacturing lead time?

A. Manufacturing lead time

B. Procurement lead time

C. Cycle time

D. Delivery lead time

Manufacturing lead time is the total time inside the factory to convert raw materials into finished goods, starting when a production order is released and ending when the finished product is ready for inventory or the next step. It includes all internal steps such as setup, processing, assembly, inspection, and any waiting or material handling that occurs within the plant. It does not include time spent acquiring materials from suppliers (procurement lead time) or delivering the finished product to the customer (delivery lead time). For contrast, cycle time is the actual time to complete the processing of a unit through the operations, while procurement lead time and delivery lead time refer to external stages: obtaining materials from suppliers and shipping to customers, respectively.

6. What facility layout groups operations of similar nature or function together and is based on departmental specialties?

A. Product layout

B. Cellular layout

C. Fixed-position layout

D. Functional layout

This question tests how a facility structures work by function. In a functional layout, operations that require similar skills or equipment are placed in the same area, forming departments that reflect those specialties. This setup groups like activities together (for example, all machining in one area, all welding in another), allowing the organization to leverage specialized resources and flexible routing through the plant. It's particularly suitable when there is a high mix of products or jobs and lower to moderate volumes, because you can handle a variety of tasks without reconfiguring the whole layout. By contrast, product layouts arrange work by the sequence of steps for a specific product, cellular layouts organize machines into cells for families of products, and fixed-position layouts bring the resources to a large, stationary item. The description given aligns best with a functional layout.

7. Which process determines in detail the labor and machine resources needed to complete a production task; inputs are open orders and planned orders; checks across all time periods?

A. Capacity requirements planning (CRP)

B. Capacity planning

C. Cellular manufacturing

D. Chase production method

Capacity requirements planning focuses on translating the planned production into the exact labor and machine resources needed, period by period. It takes the open orders already released to production and the planned orders generated by MRP, then builds a time-phased load for every work center. By examining every time period, it reveals where capacity is insufficient or overutilized and guides how to adjust—such as rescheduling, overtime, or acquiring more resources—so the plan is feasible across the entire horizon. Other approaches are broader or address different concerns: capacity planning tends to be higher-level and longer-term, not detailing per-period resource loads; cellular manufacturing focuses on organizing the shop floor into cells; and the chase production method is a production strategy that modulates output flow rather than detailing exact capacity requirements across time.

8. Final assembly schedule applies to which environments?

A. Make-to-order or assemble-to-order environments

B. Make-to-stock

C. Engineer-to-order

D. Assemble-to-stock

The main idea tested is where a Final Assembly Schedule (FAS) is used. FAS is the sequencing plan for the last stage of production when the exact product is defined by customer orders, so it's most relevant in environments that build to order or assemble to order. In make-to-stock, finished goods are produced to forecast and kept in inventory, so a dedicated final assembly schedule tied to individual orders isn't the focus. Engineer-to-order involves heavy engineering design before any assembly, so scheduling is driven more by design and project timelines than a standard final-assembly sequence. Assemble-to-stock holds assembled products in stock, reducing the need for a final-assembly schedule tied to each order. Therefore, the contexts where a Final Assembly Schedule is best applied are make-to-order and assemble-to-order environments.

9. Program where specific quality and packaging requirements are met before the product is released; prequalified goods are shipped directly into the customer's inventory; eliminates costly handling of components and enables them to move into production

A. Dock-2-stock

B. Distribution center

C. Distribution inventory

D. EDI

Dock-to-stock is the concept at work here. It describes a program where incoming parts are received only after meeting specific quality and packaging requirements, then released directly into the customer's inventory to be used in production. This prequalification means items arrive ready for immediate use, so there's no extra handling or staging before they move into production, speeding flow and reducing handling costs. A distribution center is simply a facility for receiving, storing, and shipping goods; it doesn't specify the direct-to-inventory, prequalified release into production described here. Distribution inventory refers to stock held for distrib-ution, not the process of how goods are received and moved into production. EDI is just about electronic data interchange and does not define how physical goods are released or moved.

10. Which concept minimizes all resources used in enterprise activities, including time?

A. Level schedule

B. Landed cost

C. Lean production

D. Load

Minimizing all resources used in enterprise activities, including time, is the aim of lean production. Lean focuses on eliminating waste and creating smooth, efficient flow across the entire value stream. By stripping away non-value-added steps, reducing setup times, producing in small lots, and implementing pull systems and continuous improvement, lean lowers lead times, reduces inventory, and makes better use of people and equipment. This holistic drive to cut waste in every part of the process is what makes lean production the best fit for minimizing total resources, including time. Level scheduling helps smooth demand and balance capacity to reduce peaks, but it doesn't tackle waste across all activities as comprehensively. Landed cost centers on total product cost, including transportation and duties, not resource use across processes. Load focuses on distributing work to match capacity but is a planning/balancing tool rather than a philosophy aimed at waste elimination across the enterprise.

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!