

# Arizona State University (ASU) SCM355 Supply Management Test 1 Practice (Sample)

## Study Guide



**Everything you need from our exam experts!**

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# Table of Contents

**Copyright** ..... 1

**Table of Contents** ..... 2

**Introduction** ..... 3

**How to Use This Guide** ..... 4

**Questions** ..... 5

**Answers** ..... 8

**Explanations** ..... 10

**Next Steps** ..... 16

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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

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- 1. What does 'just-in-time' inventory aim to achieve?**
  - A. Excess stock for emergencies**
  - B. Alignment of raw material orders with production schedules**
  - C. Reduction of supplier numbers**
  - D. Increasing warehouse space**
  
- 2. What role does a supplier play in a Vendor Managed Inventory (VMI) system?**
  - A. Creating advertisements**
  - B. Maintaining inventory levels**
  - C. Billing customers**
  - D. Conducting market research**
  
- 3. Which of the following is a production planning, scheduling, and inventory control system used to manage manufacturing processes?**
  - A. MRP**
  - B. ERP**
  - C. JIT**
  - D. WMS**
  
- 4. What is the main goal of horizontal integration in supply chains?**
  - A. To increase customer loyalty**
  - B. To enhance supplier relationships**
  - C. To acquire competitors and improve market share**
  - D. To reduce production costs**
  
- 5. What aspect is often improved through outsourcing according to best practices?**
  - A. Operational efficiency**
  - B. Employee morale**
  - C. Inventory levels**
  - D. Product pricing**

- 6. What do supply chain KPIs measure?**
- A. Financial performance of a supply chain**
  - B. Market share of a product**
  - C. Supply chain effectiveness and efficiency**
  - D. Customer satisfaction levels**
- 7. How does technology influence supply chain management?**
- A. It decreases the cost of production**
  - B. It enhances efficiency, visibility, and communication**
  - C. It eliminates the need for human resources**
  - D. It restricts supply chain flexibility**
- 8. Which of the following is NOT typically a factor considered in a Request for Proposal?**
- A. Price**
  - B. Supplier expertise**
  - C. Shipping and logistics**
  - D. Industry awards**
- 9. What document is used to invite suppliers to develop and propose solutions when price is not the only factor?**
- A. Purchase Order**
  - B. Request for Quotation**
  - C. Request for Proposal**
  - D. Invitation to Bid**
- 10. What typically characterizes the relationships within a supply network?**
- A. Highly competitive**
  - B. No contracts involved**
  - C. Active management by buyers**
  - D. Decentralized communication**

## Answers

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

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## **Explanations**

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## 1. What does 'just-in-time' inventory aim to achieve?

- A. Excess stock for emergencies
- B. Alignment of raw material orders with production schedules**
- C. Reduction of supplier numbers
- D. Increasing warehouse space

'Just-in-time' (JIT) inventory is a strategy aimed at aligning raw material orders with production schedules to minimize waste and reduce holding costs. This approach allows companies to operate more efficiently by receiving goods only as they are needed in the production process, thereby reducing inventory levels and eliminating excess stock. By synchronizing the supply of materials with the demand for finished products, JIT helps in maintaining lean operations, minimizing storage costs, and enhancing cash flow. In contrast, the other options do not accurately reflect the goals of a JIT system. Excess stock for emergencies would contradict the principle of JIT, which seeks to minimize inventory. Reducing supplier numbers does not inherently relate to the JIT methodology but instead might be associated with supplier consolidation strategies. Finally, increasing warehouse space is also contrary to JIT principles, as the focus is on reducing the need for large storage areas by timing inventory deliveries precisely with production needs.

## 2. What role does a supplier play in a Vendor Managed Inventory (VMI) system?

- A. Creating advertisements
- B. Maintaining inventory levels**
- C. Billing customers
- D. Conducting market research

In a Vendor Managed Inventory (VMI) system, the primary role of a supplier is to maintain inventory levels. This approach shifts the responsibility of inventory management from the retailer to the supplier. The supplier gains visibility into inventory levels and sales data, allowing them to make informed decisions about restocking products. By managing the inventory, the supplier can ensure that stock levels are optimized based on actual demand, reducing stockouts and excess inventory. This collaborative effort helps improve supply chain efficiency and can lead to lower overall costs for both the supplier and the retailer. The focus on maintaining inventory levels highlights the supplier's role in facilitating a smooth flow of goods and ensuring that the retailer has the necessary products available for consumers. Other options like advertising, billing, and market research do not directly relate to the core function of VMI, which is centered around the supplier's responsibility for inventory oversight and replenishment.

**3. Which of the following is a production planning, scheduling, and inventory control system used to manage manufacturing processes?**

- A. MRP**
- B. ERP**
- C. JIT**
- D. WMS**

The correct answer, MRP (Material Requirements Planning), is a crucial system utilized for managing manufacturing processes, specifically in production planning, scheduling, and inventory control. MRP focuses on ensuring that materials are available for production and that products are available for delivery to customers while maintaining the lowest possible level of inventory. The primary functions of MRP include calculating the necessary materials and components, scheduling production activities, and ensuring that inventory levels are optimized to meet production needs. In contrast, ERP (Enterprise Resource Planning) is a broader system that integrates all facets of a business, including finance, HR, and supply chain, while JIT (Just-In-Time) is a methodology aimed at reducing waste by receiving goods only as they are needed in the production process. WMS (Warehouse Management System) is specifically focused on managing warehouse operations. While each of these systems has important roles in supply chain management, MRP is distinctly designed for the specific tasks of planning, scheduling, and controlling inventory in manufacturing.

**4. What is the main goal of horizontal integration in supply chains?**

- A. To increase customer loyalty**
- B. To enhance supplier relationships**
- C. To acquire competitors and improve market share**
- D. To reduce production costs**

The main goal of horizontal integration in supply chains is to acquire competitors and improve market share. This strategy involves a company purchasing or merging with other firms at the same level of the supply chain, which allows it to consolidate resources, eliminate competition, and create a larger entity that can capture more market share. By acquiring competitors, a firm can increase its customer base and operational scale, which can lead to enhanced bargaining power and potential cost savings through economies of scale. This approach contrasts with other strategies, such as increasing customer loyalty, which typically focuses on enhancing relationships with existing customers rather than expanding market presence. Similarly, enhancing supplier relationships is aimed at improving collaboration and sourcing efficiencies rather than targeting competition directly. Lastly, while reducing production costs is essential for many businesses, it is often an outcome of strategic actions rather than the main objective of horizontal integration itself.

**5. What aspect is often improved through outsourcing according to best practices?**

- A. Operational efficiency**
- B. Employee morale**
- C. Inventory levels**
- D. Product pricing**

Outsourcing often leads to improvements in operational efficiency as organizations can delegate specific tasks or functions to external specialists who are experts in those areas. By outsourcing, companies can leverage the existing capabilities and technologies of third-party providers, which typically results in streamlined processes, reduced lead times, and increased productivity. Additionally, outsourcing can allow firms to focus on their core competencies, freeing them from non-core activities that may drain resources and time. This strategic realignment often leads to better performance and the ability to scale operations more effectively. Overall, the operational improvements gained through outsourcing can lead to enhanced service delivery and competitive advantage in the marketplace. While aspects such as employee morale, inventory levels, and product pricing can also be influenced by outsourcing, the primary objective and significant benefit lie in the efficient operation of business processes.

**6. What do supply chain KPIs measure?**

- A. Financial performance of a supply chain**
- B. Market share of a product**
- C. Supply chain effectiveness and efficiency**
- D. Customer satisfaction levels**

Supply chain Key Performance Indicators (KPIs) are essential metrics used to assess various aspects of a supply chain's performance. The correct answer highlights that these indicators specifically measure the effectiveness and efficiency of the supply chain. Effectiveness refers to how well the supply chain meets its objectives, such as timely delivery and meeting quality standards. Efficiency, on the other hand, indicates how well resources are utilized in the supply chain to minimize costs while maximizing output. By tracking these KPIs, organizations can identify areas for improvement, optimize processes, and ensure that they are achieving their desired operational goals. Other options, while important in their own right, do not capture the primary focus of supply chain KPIs. For instance, financial performance and customer satisfaction are components that can be influenced by supply chain efficiency and effectiveness but do not directly address the operational metrics that KPIs provide. Market share is a broader business metric influenced by various factors beyond just the supply chain. Therefore, the emphasis on effectiveness and efficiency in measuring supply chain KPIs makes this answer particularly relevant for understanding how supply chains operate and can be optimized for better performance.

## 7. How does technology influence supply chain management?

- A. It decreases the cost of production
- B. It enhances efficiency, visibility, and communication**
- C. It eliminates the need for human resources
- D. It restricts supply chain flexibility

Technology plays a crucial role in modern supply chain management by enhancing efficiency, visibility, and communication. With the advent of advanced technologies such as artificial intelligence, big data analytics, and Internet of Things (IoT) devices, supply chain stakeholders can gather and analyze vast amounts of data in real time. This capability allows for better decision-making and improved responsiveness to changes in demand or supply. Moreover, technology enables greater visibility across the supply chain, allowing companies to track inventory levels, monitor shipments, and obtain insights into supplier performance. This visibility is vital for anticipating potential disruptions and managing risks effectively. Enhanced communication facilitated by technology ensures that all parties involved in the supply chain, including suppliers, manufacturers, distributors, and retailers, can collaborate more effectively, share information seamlessly, and respond quickly to changes. The impact of technology on supply chain processes leads to optimized operations, reduced lead times, and increased customer satisfaction. By automating repetitive tasks and streamlining processes, companies can focus on strategic goals rather than getting bogged down in manual operations. Thus, the affirmation that it enhances efficiency, visibility, and communication accurately captures the positive influence technology has on supply chain management.

## 8. Which of the following is NOT typically a factor considered in a Request for Proposal?

- A. Price
- B. Supplier expertise
- C. Shipping and logistics
- D. Industry awards**

The correct answer highlights that industry awards are not typically a factor considered in a Request for Proposal (RFP). In the context of procurement and supply management, an RFP is a document that solicits proposals from potential suppliers or service providers. Its primary focus is on ensuring that the selected vendor can meet the project's technical requirements, delivery timelines, and budget constraints. Factors such as price, supplier expertise, and shipping and logistics are critical components of an RFP. Price is essential because it helps organizations evaluate cost-effectiveness and budgeting for the project. Supplier expertise is important as it reflects a vendor's capability to fulfill the requirements based on experience and knowledge in the relevant field. Shipping and logistics play a vital role as well, as they determine how products will be delivered efficiently and on time, which is crucial for maintaining supply chain operations. In contrast, industry awards, while they may serve as a valuable indicator of a supplier's reputation or quality within the marketplace, are generally not included as a formal criterion in an RFP. Instead, they may be referenced during the evaluation process as supplementary information, but they do not directly pertain to the essential aspects that an RFP seeks to address in making a sound procurement decision. Therefore, industry awards stand out as

**9. What document is used to invite suppliers to develop and propose solutions when price is not the only factor?**

- A. Purchase Order**
- B. Request for Quotation**
- C. Request for Proposal**
- D. Invitation to Bid**

The Request for Proposal (RFP) is the document specifically designed to invite suppliers to develop and propose solutions to meet a buyer's needs when price is not the sole determining factor. An RFP encourages suppliers to provide detailed proposals that can include a variety of elements such as quality, technical specifications, delivery timelines, and overall suitability for the project. This type of document allows organizations to assess suppliers based on multiple criteria, enabling a more comprehensive evaluation that aligns with strategic goals beyond cost savings. In contrast to other documents, such as a Purchase Order, which is mainly a contractual agreement for goods or services at an agreed price, the RFP emphasizes collaboration and innovation between the buyer and supplier. The Request for Quotation primarily focuses on pricing for predefined products or services, limiting the scope of responses. Meanwhile, an Invitation to Bid is typically used for straightforward projects where price competition is key, rather than fostering a more nuanced dialogue over various solutions. Therefore, the RFP is the preferred choice for complex evaluations where multiple factors, such as value and capability, play significant roles.

**10. What typically characterizes the relationships within a supply network?**

- A. Highly competitive**
- B. No contracts involved**
- C. Active management by buyers**
- D. Decentralized communication**

In a supply network, active management by buyers is crucial for maintaining effective relationships. This management involves continuous communication, negotiation, and monitoring of suppliers to ensure that their performance aligns with organizational goals and standards. Active management helps to build collaborative partnerships, resolve conflicts, and adapt to changes in market conditions or supply chain dynamics. Such relationships typically require ongoing engagement to foster trust and ensure that all parties are aligned in their objectives. Buyers who actively manage their relationships within the supply network can leverage innovations, mitigate risks, and enhance efficiencies that benefit the entire supply chain. The other choices do not accurately reflect the nature of relationships within a supply network. Highly competitive environments might exist, but collaboration is often necessary. The lack of contracts could undermine relationship stability, and decentralized communication might lead to misunderstandings and inefficiencies in information flow, countering the benefits of active management.

## 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](mailto:hello@examzify.com).**

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

**<https://asu-scm355test1.examzify.com>**

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

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