

CIPS INTRODUCING PROCUREMENT AND SUPPLY (L2M1) PRACTICE TEST (SAMPLE) STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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THE FULL VERSION STUDY GUIDE

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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 aspect does 'Value Analysis' specifically target?**
 - A. Increasing product demand
 - B. Removing costs from established products
 - C. Enhancing product marketing
 - D. Raising production efficiency
- 2. What does efficiency in a procurement context refer to?**
 - A. Maximizing profits
 - B. Performing a task with minimal waste and time
 - C. Reducing the number of employees
 - D. Maximizing product output
- 3. What is the main focus of 'exception expediting'?**
 - A. Monitoring routine progress of deliveries
 - B. Handling urgent or problematic orders
 - C. Confirming invoice accuracy
 - D. Reviewing supplier contracts
- 4. What is the primary responsibility of a Chief Executive Officer (CEO)?**
 - A. Overseeing supplier relationships
 - B. Ensuring the financial success of the organization
 - C. Managing day-to-day operations
 - D. Overall responsibility for the success of the organization
- 5. What is the primary benefit of a fixed-price contract for the buyer?**
 - A. The buyer can negotiate prices after the contract is signed
 - B. The final price is uncertain until delivery
 - C. The buyer knows the cost from the beginning, reducing risk
 - D. The buyer pays only after receiving the goods
- 6. Which type of waste involves excess production of goods or services?**
 - A. Defects
 - B. Overproduction
 - C. Transportation
 - D. Motion

- 7. What is the last step in the post-award procurement processes?**
- A. Order monitoring
 - B. Goods receipt
 - C. Invoice verification
 - D. Payment
- 8. What are the four stages of team development?**
- A. Forming, storming, validating, performing
 - B. Forming, storming, norming, performing
 - C. Planning, executing, monitoring, closing
 - D. Creating, collaborating, informing, performing
- 9. Which term encompasses the processes of acquiring goods and services, including payment of invoices?**
- A. Buying
 - B. Sales
 - C. Purchasing
 - D. Procurement
- 10. How long do framework agreements usually last?**
- A. More than 5 years
 - B. Up to 10 years
 - C. Not usually longer than 4 years
 - D. At least 3 years

Answers

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

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Explanations

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1. What aspect does 'Value Analysis' specifically target?

- A. Increasing product demand
- B. Removing costs from established products**
- C. Enhancing product marketing
- D. Raising production efficiency

Value Analysis specifically targets the process of removing costs from established products while maintaining their functionality and quality. The primary goal of Value Analysis is to optimize the overall value of a product by identifying and eliminating unnecessary costs, which can be achieved through a detailed examination of the product's design, materials, and processes. By focusing on cost reduction without sacrificing the product's essential features or performance, organizations can enhance their competitiveness, improve profit margins, and deliver better value to their customers. This approach not only aids in reducing expenses but can also lead to innovative modifications that improve the product's overall value proposition. The other options, while related to aspects of product management and supply chain execution, do not capture the essence of Value Analysis. Increasing product demand involves market strategies and consumer engagement, enhancing product marketing focuses on promotional efforts, and raising production efficiency relates to optimizing operations rather than directly addressing the cost structure of a product.

2. What does efficiency in a procurement context refer to?

- A. Maximizing profits
- B. Performing a task with minimal waste and time**
- C. Reducing the number of employees
- D. Maximizing product output

In the procurement context, efficiency is best understood as performing a task with minimal waste and time. This concept emphasizes the importance of optimizing resources, which means procuring goods and services in a way that ensures the best possible outcome with the least amount of input. When procurement processes are efficient, organizations can achieve their goals faster and with lower costs, contributing to overall productivity and effectiveness. Efficiency directly correlates to streamlined processes, where unnecessary steps are eliminated, resources are utilized wisely, and there is a focus on achieving objectives with the least amount of friction. This enables organizations to respond more dynamically to market changes, customer needs, and other external pressures while maintaining cost-effectiveness. Other choices, while related to procurement in some capacity, do not encapsulate the core meaning of efficiency as thoroughly. For example, maximizing profits is an important business goal but does not specifically address how effectively resources are used in the procurement process. Similarly, reducing the number of employees or maximizing product output may lead to improvements in some areas, but they do not inherently indicate efficiency in the procurement context, which is focused on optimizing processes rather than simply altering workforce size or output levels.

3. What is the main focus of 'exception expediting'?

- A. Monitoring routine progress of deliveries
- B. Handling urgent or problematic orders**
- C. Confirming invoice accuracy
- D. Reviewing supplier contracts

The main focus of 'exception expediting' is to handle urgent or problematic orders. This type of expediting comes into play when there are deviations from the expected delivery timelines or when specific issues arise that could potentially disrupt the supply chain. For example, if an order is delayed, or if there are quality concerns, exception expediting is employed to address these circumstances effectively and ensure that the required goods or services are received in a timely manner despite the complications. In this context, the role of exception expediting goes beyond the routine monitoring of deliveries or confirmations of invoice accuracy, as those functions are part of standard procurement practices rather than responses to an exceptional situation. Similarly, while reviewing supplier contracts is crucial for maintaining good relationships and understanding obligations, it does not directly pertain to addressing urgent or problematic orders as 'exception expediting' does. Thus, the emphasis on addressing urgent or problematic orders accurately captures the essence of what exception expediting entails.

4. What is the primary responsibility of a Chief Executive Officer (CEO)?

- A. Overseeing supplier relationships
- B. Ensuring the financial success of the organization
- C. Managing day-to-day operations
- D. Overall responsibility for the success of the organization**

The primary responsibility of a Chief Executive Officer (CEO) is to have the overall responsibility for the success of the organization. This role encompasses a broad range of duties, including setting the strategic direction, communicating vision and values, and ensuring that all departments align with the organization's goals. The CEO is ultimately accountable for the performance of the company, which includes areas such as profitability, growth, and sustainability. In contrast, overseeing supplier relationships, ensuring financial success, and managing day-to-day operations are certainly important aspects of a successful organization, but these tasks often fall under the purview of other roles within the executive team. The CEO leads and coordinates these functions but is primarily focused on the overarching success and health of the organization as a whole.

5. What is the primary benefit of a fixed-price contract for the buyer?

- A. The buyer can negotiate prices after the contract is signed
- B. The final price is uncertain until delivery
- C. The buyer knows the cost from the beginning, reducing risk**
- D. The buyer pays only after receiving the goods

The primary benefit of a fixed-price contract for the buyer is that the buyer knows the cost from the beginning, which effectively reduces financial risk. This clarity in pricing allows the buyer to budget accurately and plan expenses without worrying about fluctuations in costs that could arise from variables such as material price changes or labor costs during the contract term. Since the price is agreed upon upfront, the buyer can be more confident in their financial commitments, leading to better cash flow management. Moreover, fixed-price contracts can incentivize suppliers to manage their costs efficiently since they must deliver within the price set in the contract. This predictability helps businesses make informed strategic decisions and allocate resources effectively.

6. Which type of waste involves excess production of goods or services?

- A. Defects
- B. Overproduction**
- C. Transportation
- D. Motion

Overproduction is a type of waste that occurs when an organization produces more goods or services than are actually needed or demanded by customers. This can result in excess inventory, additional storage costs, and increased handling expenses. Overproduction often leads to other forms of waste as well, such as defects due to the rush to create more products, or wasted resources when products sit unsold. In procurement and supply, managing overproduction is crucial because it ties up capital and resources that could be better utilized elsewhere. By accurately forecasting demand and aligning production levels accordingly, organizations can avoid the pitfalls associated with overproduction, such as increased costs and reduced efficiency in the supply chain. The other options represent different types of waste. Defects refer to issues with the quality of goods, transportation waste relates to unnecessary movement of products or materials, and motion waste involves excess movement by employees, which can also lead to inefficiencies. However, none of these directly address the issue of producing more than what is necessary, making overproduction the correct choice in this context.

7. What is the last step in the post-award procurement processes?

- A. Order monitoring
- B. Goods receipt
- C. Invoice verification
- D. Payment**

In the post-award procurement processes, the last step is payment. This phase is crucial as it represents the culmination of the procurement cycle after a contract has been awarded and the goods or services have been delivered. Once the goods have been received and inspected (as part of the goods receipt step), and the invoices have been verified against the terms of the contract, processing the payment is what officially concludes the procurement process. Payment signifies that the buyer has fulfilled their financial obligations in exchange for the goods or services received, marking the end of the procurement cycle for that specific transaction. This step is vital for maintaining supplier relationships, as timely payment can reflect good business practices and strengthen future collaborations. Additionally, proper management of payments is essential for financial accounts and budgeting in any organization.

8. What are the four stages of team development?

- A. Forming, storming, validating, performing
- B. Forming, storming, norming, performing**
- C. Planning, executing, monitoring, closing
- D. Creating, collaborating, informing, performing

The four stages of team development are forming, storming, norming, and performing. In the forming stage, team members come together, get to know each other, and start to understand the tasks at hand. During the storming stage, conflicts and challenges arise as team members express their individual opinions and work styles. This is a crucial phase where disagreements can lead to clarity and stronger team dynamics as roles become more defined. Once the team has navigated the storming phase, they enter the norming stage, where members begin to resolve their differences, establish norms and expectations, and work collaboratively towards shared goals. The final stage, performing, is when the team reaches optimal functioning, working efficiently and effectively toward their objectives with a strong sense of collective identity and mutual support. Understanding these stages helps in managing team development more effectively, as it outlines the natural progression teams follow and highlights the importance of addressing conflicts and building cohesion. This framework is widely recognized and used in team management and organizational development.

9. Which term encompasses the processes of acquiring goods and services, including payment of invoices?

- A. Buying
- B. Sales
- C. Purchasing**
- D. Procurement

The term that encompasses the processes of acquiring goods and services, including the payment of invoices, is procurement. Procurement is a broader term that refers to the entire process of acquiring goods and services, which starts from identifying needs, selecting suppliers, negotiating contracts, ordering, and ultimately managing the payment for those goods and services received. This process includes strategic sourcing and managing supplier relationships, all essential components of procurement. While the word "purchasing" may seem synonymous with buying and involves the actual transaction or act of acquiring goods, it does not encompass the full range of activities involved in the procurement process. Unlike "sales," which pertains to the selling aspect from a supplier's perspective, procurement includes the planning, supplier management, and contractual obligations following the purchase. Thus, "procurement" is the most comprehensive term that appropriately describes the full sequence of activities from need identification to payment settlement.

10. How long do framework agreements usually last?

- A. More than 5 years
- B. Up to 10 years
- C. Not usually longer than 4 years**
- D. At least 3 years

Framework agreements typically last not usually longer than four years, which aligns with many public sector procurement regulations and best practices. The rationale behind this duration is to ensure that contracts remain relevant and can adapt to changing market conditions, procurement procedures, and the needs of the contracting parties. Allowing framework agreements to extend beyond four years may lead to issues such as outdated pricing, changing supplier capabilities, or shifts in technical requirements that could be detrimental to the procurement process. Moreover, frameworks are designed to provide a flexible mechanism for sourcing goods and services over a set period, while still allowing for new entrants to join the market and for the clients to reassess their needs periodically. Therefore, four years serves as a practical duration that balances stability with the opportunity for renewal and adjustment as needed.

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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://cipsl2m1.examzify.com>

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

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