

# FBLA Introduction to Supply Chain Management Practice Test (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

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- 1. Which facility is primarily focused on picking, packing, and shipping online orders?**
  - A. Fulfillment center**
  - B. Distribution center**
  - C. CRM system**
  - D. MRP module**
  
- 2. What is global sourcing?**
  - A. Purchasing goods and services from international suppliers.**
  - B. Sourcing only within the domestic market.**
  - C. Moving production entirely onshore.**
  - D. Hiring global talent for marketing campaigns.**
  
- 3. Which planning level involves long-term decisions such as network design and location selection?**
  - A. Strategic SC planning**
  - B. Tactical SC planning**
  - C. Operational SC planning**
  - D. Corporate planning**
  
- 4. What is cargo insurance?**
  - A. Insurance coverage for buildings used to store goods.**
  - B. Insurance coverage for goods in transit against loss or damage.**
  - C. Insurance for employees' personal belongings.**
  - D. Insurance that covers only domestic shipments.**
  
- 5. ABC Classification groups inventory items into which categories based on value?**
  - A. A high value, B medium, C low**
  - B. High risk, Medium risk, Low risk**
  - C. Large, Medium, Small**
  - D. Fast-moving, Slow-moving, Obsolete**

- 6. Which statement best describes a two-level distribution channel?**
- A. It moves products through two intermediaries**
  - B. It eliminates intermediaries**
  - C. It bypasses wholesalers**
  - D. It only uses direct channels**
- 7. In the Deliver phase of SCOR, which activities are performed?**
- A. Order fulfillment, transportation, warehousing**
  - B. Supplier evaluation, contract signing**
  - C. Manufacturing, quality control**
  - D. Returns processing, recycling**
- 8. Which core knowledge areas are essential for SCM managers?**
- A. Operations, procurement, logistics, inventory optimization, finance**
  - B. Marketing, public relations, event planning, branding**
  - C. Electrical engineering, software development, data science**
  - D. Human resources, legal compliance, healthcare.**
- 9. What is a one-level distribution channel?**
- A. Producer → Retailer → Consumer**
  - B. Producer → Consumer**
  - C. Producer → Distributor → Consumer**
  - D. Producer → Wholesaler → Retailer → Consumer**
- 10. ABC Classification helps organizations primarily with which activity?**
- A. Categorizing inventory items into A, B, and C based on value**
  - B. Forecasting demand**
  - C. Setting supplier contracts**
  - D. Scheduling production**

## Answers

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

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## **Explanations**

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**1. Which facility is primarily focused on picking, packing, and shipping online orders?**

- A. Fulfillment center**
- B. Distribution center**
- C. CRM system**
- D. MRP module**

Online order fulfillment centers are built to process customer orders from start to finish. They specialize in picking items from shelves, packing them securely, and shipping them to customers, often with fast turnaround and integrated systems for inventory, packing, and carrier labeling. This makes the fulfillment center the best fit for handling online orders. A distribution center's main role is storing inventory and moving goods through the supply chain, not per-order e-commerce fulfillment. CRM systems and MRP modules are software tools, not physical facilities, so they don't perform the picking, packing, and shipping tasks.

**2. What is global sourcing?**

- A. Purchasing goods and services from international suppliers.**
- B. Sourcing only within the domestic market.**
- C. Moving production entirely onshore.**
- D. Hiring global talent for marketing campaigns.**

Global sourcing means obtaining goods and services from suppliers located in other countries to take advantage of advantages like lower costs, access to unique resources, and a broader supplier base. It involves identifying and evaluating international suppliers, negotiating contracts, and coordinating cross-border logistics while managing risks such as currency fluctuations and compliance with trade regulations. Purchasing from international suppliers best captures this idea, whereas sourcing only within the domestic market describes domestic sourcing, moving production entirely onshore is about onshoring, and hiring global talent for marketing relates to people rather than material procurement.

**3. Which planning level involves long-term decisions such as network design and location selection?**

- A. Strategic SC planning**
- B. Tactical SC planning**
- C. Operational SC planning**
- D. Corporate planning**

Long-term planning in the supply chain focuses on shaping the overall structure by deciding where and how the network will be set up. Decisions about network design and facility location create the backbone of the system for many years, involve substantial investment, and influence costs and service levels across the entire network. These characteristics make it strategic planning, because it sets the direction and framework that guide all future supply chain decisions. Tactical planning handles mid-term adjustments, such as balancing capacity and inventory policies within the established network, while operational planning deals with day-to-day scheduling and execution. Corporate planning looks at the broader business strategy of the company as a whole, not the specific design of the supply chain network.

#### 4. What is cargo insurance?

- A. Insurance coverage for buildings used to store goods.
- B. Insurance coverage for goods in transit against loss or damage.**
- C. Insurance for employees' personal belongings.
- D. Insurance that covers only domestic shipments.

Cargo insurance protects goods while they are in transit, providing coverage against loss or damage during shipment. This is the best answer because it specifically targets the movement of goods from origin to destination, rather than insurance for storage facilities (which would be warehouse or property insurance) or for a person's personal belongings. It also isn't limited to domestic shipments; many cargo policies cover international moves across different transport modes, such as truck, ship, plane, or rail. In practice, this type of insurance helps buyers and sellers manage the risk that goods may be lost, damaged, or stolen while they are en route, with terms that can vary from all-risk to perils-specific coverage.

#### 5. ABC Classification groups inventory items into which categories based on value?

- A. A high value, B medium, C low**
- B. High risk, Medium risk, Low risk
- C. Large, Medium, Small
- D. Fast-moving, Slow-moving, Obsolete

ABC classification focuses on organizing inventory by value to help prioritize how closely you manage and control items. In this approach, items are grouped into three value-based tiers: high-value, medium-value, and low-value. The idea is that a small number of high-value items typically account for a large portion of the total annual value, so they receive the most careful monitoring, tighter controls, and more accurate records. Medium-value items get a moderate level of attention, and low-value items, though numerous, require less intensive oversight because each one contributes relatively little to total value. So, when a question asks which categories are used based on value, the correct description is high-value, medium-value, and low-value items. The other options describe risk levels, physical size, or movement speed, which are not how ABC classification by value is defined.

**6. Which statement best describes a two-level distribution channel?**

- A. It moves products through two intermediaries**
- B. It eliminates intermediaries**
- C. It bypasses wholesalers**
- D. It only uses direct channels**

A distribution channel with two levels has two layers of intermediaries between the producer and the customer. In practice, the product moves from the manufacturer to one intermediary, then to a second intermediary, and finally to the consumer. A common example is manufacturer → wholesaler → retailer → consumer, which uses two middlemen. This is why the statement describing movement through two intermediaries fits best. If there were no intermediaries, that would be a direct channel; bypassing wholesalers means only one intermediary or none, not two; and using only direct channels means no intermediaries at all.

**7. In the Deliver phase of SCOR, which activities are performed?**

- A. Order fulfillment, transportation, warehousing**
- B. Supplier evaluation, contract signing**
- C. Manufacturing, quality control**
- D. Returns processing, recycling**

The main idea here is that the Deliver phase is all about moving the product to the customer and getting orders fulfilled smoothly. It covers activities like managing orders, picking and packing, warehousing, transportation, and distribution to the customer, ensuring deliveries are accurate and on time. That's why order fulfillment, transportation, and warehousing fit best. Supplier evaluation and contract signing belong to the sourcing activities that secure inputs from suppliers. Manufacturing and quality control are part of making the product. Returns processing and recycling are handled in the post-delivery Return process.

## 8. Which core knowledge areas are essential for SCM managers?

- A. Operations, procurement, logistics, inventory optimization, finance**
- B. Marketing, public relations, event planning, branding**
- C. Electrical engineering, software development, data science**
- D. Human resources, legal compliance, healthcare.**

The main idea being tested is what knowledge areas are central to managing a supply chain. A skilled SCM manager needs a blend of operations know-how, how we source and contract for materials, how we move and store goods, how to keep the right amount of inventory, and how all of these choices impact the organization's finances. Operations gives you the playbook for turning inputs into outputs—planning capacity, scheduling, quality, and continuous improvement. Procurement focuses on obtaining the right materials at the right price from reliable suppliers, including supplier selection, negotiation, and contract management. Logistics covers the movement and storage of goods, including transportation, warehousing, and distribution network design, aiming to deliver on time and at lowest total cost. Inventory optimization is about determining optimal stock levels, safety stock, reorder points, and service levels to balance carrying costs with the need to meet customer demand. Finance ties everything together by analyzing costs, budgeting, and the financial impact of supply chain decisions, such as total landed cost and cash flow implications. Together, these areas form the core toolkit for effective SCM management because they directly influence cost, service levels, lead times, and the ability to respond to changing demand. The other options mix in marketing, engineering, or HR functions, which are not the central knowledge domains for SCM managers, even though they may support the function in broader business contexts.

## 9. What is a one-level distribution channel?

- A. Producer → Retailer → Consumer**
- B. Producer → Consumer**
- C. Producer → Distributor → Consumer**
- D. Producer → Wholesaler → Retailer → Consumer**

A one-level distribution channel uses a single intermediary between the producer and the end customer, typically a retailer. In this setup, the producer sells to the retailer, and the retailer then sells to the consumer. This streamlines the path from producer to market while leveraging the retailer's store network and customer access. If the product went directly from producer to consumer, that would be a zero-level channel with no middleman. If there are additional intermediaries such as a distributor or wholesaler before the retailer, the channel would have more levels and wouldn't be one-level. So, the clean one-level form is producer → retailer → consumer.

**10. ABC Classification helps organizations primarily with which activity?**

- A. Categorizing inventory items into A, B, and C based on value**
- B. Forecasting demand**
- C. Setting supplier contracts**
- D. Scheduling production**

ABC classification focuses on ranking inventory items by their value or importance to the business, so the most critical items get the tightest control. By grouping items into three categories, organizations dedicate more effort, tighter stock levels, and more frequent reviews to the high-value items, while applying simpler controls to the less valuable ones. This helps optimize capital tied up in inventory and improves overall accuracy in counting and replenishment. While forecasting demand, setting supplier contracts, and scheduling production are important activities, they aren't the primary aim of ABC analysis—the classification is about prioritizing which items to manage most closely based on their impact on value.

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

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

**<https://fblaintrotosupplychainmgmt.examzify.com>**

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

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