

Logistics and Supply Chain Management 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

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- 1. Which of the following is identified as a major supply chain issue?**
 - A. Information**
 - B. Customer satisfaction**
 - C. Employee training**
 - D. Brand management**

- 2. A model where a seller operates a system selling to multiple buyers is known as:**
 - A. Sell-side system**
 - B. Electronic marketplace**
 - C. Buy-side system**
 - D. Online trading community**

- 3. What is a SKU and why is it important?**
 - A. A SKU is a Stock Keeping Unit used to track shipments**
 - B. A SKU is a Stock Keeping Unit used for supplier payments**
 - C. A SKU is a Stock Keeping Unit used only for pricing**
 - D. A SKU is a Stock Keeping Unit; a unique identifier for an item that enables precise inventory tracking and data analysis**

- 4. Which country is NOT listed among the top five US trading partners?**
 - A. Canada**
 - B. China**
 - C. Mexico**
 - D. Brazil**

- 5. An online trading community is best described as:**
 - A. Maintained by a third-party technology vendor where multiple buyers and multiple sellers in a market can conduct business**
 - B. A seller-operated service with catalogs from a single vendor**
 - C. A buyer-controlled procurement platform**
 - D. A consumer-focused shopping site**

- 6. Explain the difference between cross-functional teams and silos in SCM.**
- A. Silos hinder information sharing and coordination.**
 - B. Cross-functional teams work in isolation within each function.**
 - C. Silos hinder information sharing and coordination.**
 - D. Cross-functional teams collaborate across functions to improve processes; silos hinder information sharing and coordination.**
- 7. Which of the following is NOT one of the three e-commerce models?**
- A. Sell-side system**
 - B. Electronic marketplace**
 - C. Buy-side system**
 - D. Online trading community**
- 8. Which item procurement matrix component corresponds to high risk and high value?**
- A. Criticals**
 - B. Distinctives**
 - C. Generics**
 - D. Commodities**
- 9. Which criterion most directly impacts supplier selection?**
- A. Reliability: on time delivery, performance history**
 - B. Market share of the supplier**
 - C. Number of employees**
 - D. Advertising expenditure**
- 10. How does batch production differ from continuous production?**
- A. Batch production produces items in groups with changeovers; continuous production runs non-stop for a steady output.**
 - B. Continuous production requires changeovers between batches.**
 - C. Batch production runs non-stop for a steady output.**
 - D. Continuous production has frequent downtime.**

Answers

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

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Explanations

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1. Which of the following is identified as a major supply chain issue?

- A. Information**
- B. Customer satisfaction**
- C. Employee training**
- D. Brand management**

Timely, accurate information flow is essential for coordinating all parts of the supply chain. When information is incomplete, delayed, or not shared across suppliers, manufacturers, and retailers, planning and execution can't be aligned, leading to forecasting errors, stockouts or excess inventory, longer lead times, and higher costs. This ripple effect—where poor information drives misaligned decisions and inefficiencies—makes information the major supply chain issue. Situations like customer satisfaction are outcomes that suffer when information and processes fail, rather than a fundamental issue themselves. Employee training matters for how well operations run, but it's a capability that supports the system rather than the root culprit. Brand management sits more in marketing and demand shaping, not the core flow of goods and data through the supply chain.

2. A model where a seller operates a system selling to multiple buyers is known as:

- A. Sell-side system**
- B. Electronic marketplace**
- C. Buy-side system**
- D. Online trading community**

The concept being tested is who operates the marketplace and who the platform serves. A sell-side system is a supplier-operated platform that presents a seller's catalog to many buyers, allowing the seller to reach multiple customers with its offerings. This setup is designed for the supplier to manage pricing, product listings, and transactions across a broad audience of buyers, making it the best fit for a model where a single seller runs the system to sell to multiple customers. In contrast, a buy-side system is inside a buyer's organization, used to source from various suppliers and manage the purchasing process there. An electronic marketplace is a broader term that can describe either a seller- or buyer-operated platform (or a neutral exchange), so it's less specific to who controls the system. An online trading community describes a network that facilitates collaboration and trading among participants, not necessarily a seller-hosted storefront aimed at many buyers.

3. What is a SKU and why is it important?

- A. A SKU is a Stock Keeping Unit used to track shipments
- B. A SKU is a Stock Keeping Unit used for supplier payments
- C. A SKU is a Stock Keeping Unit used only for pricing
- D. A SKU is a Stock Keeping Unit; a unique identifier for an item that enables precise inventory tracking and data analysis**

A SKU is a unique identifier assigned to a specific item or product variation to enable precise inventory tracking and data analysis. This code travels with the item through purchasing, receiving, put-away, picking, shipping, and stock counting, so systems can record exact quantities by each SKU and know exactly where it's stored. That level of precision supports replenishment decisions, demand forecasting, promotions, pricing, and profitability analysis because you can measure performance at the most granular level rather than guessing from broader categories. It also helps prevent stockouts or overstock by providing real-time visibility into inventory and accurate order fulfillment. The other options miss how SKUs function, since they aren't primarily for shipments, supplier payments, or pricing alone; they're internal, unique identifiers that drive inventory control and data-driven decision-making.

4. Which country is NOT listed among the top five US trading partners?

- A. Canada
- B. China
- C. Mexico
- D. Brazil**

Understanding how countries are ranked as trading partners by trade volume is key. When we look at two-way merchandise trade—the total value of goods the U.S. both buys from and sells to another country—the largest partners tend to be Canada, China, Mexico, Japan, and Germany. These five have very large bilateral trade with the United States due to proximity, integrated supply chains, and the size of their economies. Brazil, while an important trading partner, typically handles a smaller total trade with the U.S. and thus does not make the top five. Note that rankings can vary if you change the measure (such as services vs. goods) or the year, but for overall two-way merchandise trade, Brazil is not in the top five.

5. An online trading community is best described as:

- A. Maintained by a third-party technology vendor where multiple buyers and multiple sellers in a market can conduct business**
- B. A seller-operated service with catalogs from a single vendor**
- C. A buyer-controlled procurement platform**
- D. A consumer-focused shopping site**

An online trading community is a marketplace hosted by a third-party technology provider that brings together many buyers and many sellers to do business in a shared online space. This setup is multi-vendor and multi-buyer by design, with the platform operator providing the neutral environment and tools for discovery, negotiation, and transactions. This differs from a seller-operated service that uses catalogs from a single vendor, which is limited to one supplier. It also differs from a buyer-controlled procurement platform, which is typically a private marketplace managed by a single buyer or organization with fewer suppliers. And it's not a consumer-focused shopping site, which targets individual shoppers rather than facilitating business-to-business trading among numerous sellers and buyers.

6. Explain the difference between cross-functional teams and silos in SCM.

- A. Silos hinder information sharing and coordination.**
- B. Cross-functional teams work in isolation within each function.**
- C. Silos hinder information sharing and coordination.**
- D. Cross-functional teams collaborate across functions to improve processes; silos hinder information sharing and coordination.**

In cross-functional collaboration, people from multiple functions work together with a shared objective to improve a process from end to end. This setup breaks down barriers between departments, so information flows freely, decisions consider the whole value chain, and responsibilities are aligned toward a common goal. In supply chain management, that means smoother end-to-end activities like order-to-delivery, new product introductions, or demand planning, with fewer handoffs, faster responses, and better service levels because everyone is working from one integrated plan. Silos, on the other hand, keep information within each function and emphasize local performance. Knowledge is often guarded, coordination across steps is weak, and metrics reward department-specific outcomes rather than overall supply chain performance. This leads to misalignment, duplicated effort, bottlenecks, and slower reaction to changes. The best choice captures both ideas: cross-functional teams collaborate across functions to improve processes; silos hinder information sharing and coordination.

7. Which of the following is NOT one of the three e-commerce models?

- A. Sell-side system**
- B. Electronic marketplace**
- C. Buy-side system**
- D. Online trading community**

In e-commerce taxonomy, the three main B2B models describe how buyers and sellers connect: a sell-side system where the vendor hosts a catalog and sells directly to buyers; a buy-side system where the buying organization uses its procurement tools to source from multiple suppliers; and an electronic marketplace that serves as a neutral platform linking many buyers with many sellers. An online trading community, while it can describe a network where participants trade and share information, isn't classified as one of these three canonical models. It's a broader concept of a trading network rather than a distinct standard model. Therefore it isn't part of the three e-commerce models.

8. Which item procurement matrix component corresponds to high risk and high value?

- A. Criticals**
- B. Distinctives**
- C. Generics**
- D. Commodities**

In procurement portfolio thinking, items are sorted by how much supply risk they pose and how much financial impact they have. The quadrant that matches both high risk and high value is called Criticals. These items can most disrupt operations and carry the largest financial weight, so the sourcing approach must be strategic: secure with long-term agreements with key suppliers, build strong supplier relationships, invest in supplier development, and put solid risk-mitigation plans in place (like dual sourcing and contingency options). The goal is to protect supply continuity and maximize value because losing or failing to secure these items would have the biggest adverse effects on the business. The other categories describe scenarios where one dimension is lower—these are managed with less intensive processes since their potential impact or risk isn't as extreme.

9. Which criterion most directly impacts supplier selection?

A. Reliability: on time delivery, performance history

B. Market share of the supplier

C. Number of employees

D. Advertising expenditure

Reliability in on-time delivery and a proven performance history is the most directly impactful factor because it directly determines whether the supplier can meet production schedules and customer demand. When a supplier consistently delivers on time and shows a track record of meeting commitments, it reduces the risk of stockouts, delays, and the need for expensive expediting—all of which disrupt planning and inflate costs. This reliability enables accurate forecasting, lowers safety stock requirements, and supports smooth operations across the supply chain. In contrast, market share, number of employees, or advertising spend may indicate size or marketing prowess, but they do not directly prove the supplier's ability to consistently deliver what's needed when it's needed.

10. How does batch production differ from continuous production?

A. Batch production produces items in groups with changeovers; continuous production runs non-stop for a steady output.

B. Continuous production requires changeovers between batches.

C. Batch production runs non-stop for a steady output.

D. Continuous production has frequent downtime.

The key idea is how the flow of work is organized and how often production is interrupted. Batch production works by grouping items into batches or lots, producing a set quantity, then stopping to change tooling, setups, or parameters before starting the next batch. Those changeovers between batches create planned downtime but give flexibility to switch products or sizes. Continuous production, on the other hand, is designed to run almost without interruption, delivering a steady, constant output. It minimizes changeovers and aims for a nonstop flow, with downtime limited mainly to maintenance or rare shutdowns. So the best description is that batch production produces items in groups with changeovers, while continuous production runs non-stop for a steady output. The other ideas mix up the nature of downtime and the need for changeovers.

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://logisticssupplychainmgmt.examzify.com>

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

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