

OPERATIONS MANAGEMENT AND INFORMATION SYSTEMS (OMIS) 320 EXAM 1 PRACTICE TEST (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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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. Controlling lead-time, transportation, and warehousing cost is a reason for making because:**
 - A. It has no effect on scheduling
 - B. It reduces quality management requirements
 - C. It helps align with production schedules and reduce logistics costs
 - D. It increases outsourcing risk
- 2. What trend describes SRM's strategic role?**
 - A. Sourcing & procurement increasing in importance.
 - B. Procurement is neglected.
 - C. Supply chain irrelevant.
 - D. SRM replaced by CRM.
- 3. What is safety stock used for in inventory management?**
 - A. To increase average inventory holding cost.
 - B. To protect against uncertainty in demand or lead time and prevent stockouts.
 - C. To increase the reorder point unnecessarily.
 - D. To eliminate the need for safety stock.
- 4. ISO 9000 refers to what?**
 - A. A set of financial reporting standards
 - B. A series of management and quality assurance standards
 - C. An environmental compliance framework
 - D. A marketing standards framework
- 5. Which statement best describes a characteristic of a hybrid purchasing system?**
 - A. It centralizes all procurement decisions at corporate HQ.
 - B. It enables managers to purchase a broad range of categories efficiently.
 - C. It eliminates the need for supplier performance tracking.
 - D. It restricts purchases to a single vendor.

- 6. In SCM terminology, which statement correctly describes the relationship between first tier and second tier suppliers?**
- A. First tier suppliers deliver to a customer's factory; second tier suppliers deliver to first tier suppliers
 - B. First tier suppliers deliver to end customers; second tier suppliers deliver to retailers
 - C. First tier suppliers are consumers; second tier suppliers are manufacturers
 - D. First tier suppliers are distributors; second tier suppliers are retailers
- 7. What is the difference between service level and fill rate in inventory control?**
- A. Service level is the probability of meeting demand without stockouts; fill rate is the fraction of demand satisfied from stock on hand.
 - B. Service level equals fill rate.
 - C. Fill rate is probability of stockouts.
 - D. Service level is inventory turnover.
- 8. A key benefit of coordinated planning and information sharing in SCM is what?**
- A. Increased safety stock costs
 - B. No change in variability
 - C. Reduced bullwhip effect and safety stock costs through coordinated planning and information sharing
 - D. Increased lead times
- 9. Lead time is best described as the time from placing an order to receiving it.**
- A. The time between successive production runs.
 - B. The duration of a manufacturing cycle time within a single operation.
 - C. The time from placing an order to receiving it, used to determine inventory needs.
 - D. The time to process an invoice after delivery.

10. What is a defining characteristic of Business Process Reengineering (BPR)?

- A. Incremental improvements to existing processes
- B. Radical rethinking and redesign of business processes to reduce waste and increase performance
- C. Outsourcing all core activities
- D. Focusing only on cost reduction

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Answers

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

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Explanations

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1. Controlling lead-time, transportation, and warehousing cost is a reason for making because:

- A. It has no effect on scheduling
- B. It reduces quality management requirements
- C. It helps align with production schedules and reduce logistics costs**
- D. It increases outsourcing risk

This question focuses on how controlling lead-time, transportation, and warehousing costs supports the decision to make in a make-or-buy choice by tying production more tightly to schedules and reducing overall logistics expense. When you produce in-house, you can tune the internal lead-time to your exact production cadence, minimize delays caused by external suppliers, and coordinate material flow with the plant's timing. At the same time, you can optimize how parts move and where inventory sits, often reducing the distance and frequency of shipments and consolidating warehousing needs. All of this lowers total logistics costs and helps the production plan run smoothly, with fewer disruptions or costly rush orders. The other options don't capture this link: simply stating there's no effect on scheduling ignores the impact of lead-time on timing; claiming it reduces quality management requirements isn't guaranteed and can even complicate quality control; and suggesting it increases outsourcing risk is the opposite of what making typically aims to do by maintaining tighter control over the supply chain.

2. What trend describes SRM's strategic role?

- A. Sourcing & procurement increasing in importance.**
- B. Procurement is neglected.
- C. Supply chain irrelevant.
- D. SRM replaced by CRM.

The idea being tested is that supplier relationship management should reflect a rising strategic emphasis on sourcing and procurement. In today's businesses, procurement isn't just a back office function; it's a strategic driver of value, focusing on cost reduction, risk management, supplier collaboration, and innovation. SRM supports this by actively managing supplier performance, fostering partnerships, and aligning supplier capabilities with the company's goals. That's why the best description is that sourcing and procurement are increasing in importance, and SRM serves as a strategic mechanism to realize that value. The other statements don't fit the trend. Procurement isn't neglected in modern thinking; it's becoming more central. The notion that the entire supply chain is irrelevant contradicts how essential supply chains are to delivering products and services. And SRM isn't about being replaced by CRM—CRM handles customer relationships, while SRM deals with suppliers; they address different sides of the business, often working together rather than replacing one another.

3. What is safety stock used for in inventory management?

- A. To increase average inventory holding cost.
- B. To protect against uncertainty in demand or lead time and prevent stockouts.**
- C. To increase the reorder point unnecessarily.
- D. To eliminate the need for safety stock.

Safety stock is extra inventory kept as a cushion against variability in demand and lead times. Its main purpose is to prevent stockouts when actual demand or supplier lead times differ from forecasts, helping maintain required service levels. In practice, the reorder point includes this buffer: expected demand during lead time plus safety stock. The other ideas miss the point—safety stock isn't kept to increase costs as the goal, nor is it meant to be raised without reason, and while you could reduce it, eliminating it entirely would raise the risk of stockouts in the face of variability.

4. ISO 9000 refers to what?

- A. A set of financial reporting standards
- B. A series of management and quality assurance standards**
- C. An environmental compliance framework
- D. A marketing standards framework

Quality management and assurance framework. ISO 9000 denotes a family of standards that define the vocabulary and guidance for implementing and auditing a quality management system. It sets the foundation and principles for how an organization consistently ensures product and process quality. The standard most widely used for certification is ISO 9001, which specifies the actual requirements to meet to be certified. This isn't about financial reporting, environmental compliance, or marketing standards, which is why the correct choice describes it as a series of management and quality assurance standards.

5. Which statement best describes a characteristic of a hybrid purchasing system?

- A. It centralizes all procurement decisions at corporate HQ.
- B. It enables managers to purchase a broad range of categories efficiently.**
- C. It eliminates the need for supplier performance tracking.
- D. It restricts purchases to a single vendor.

A hybrid purchasing system blends centralized control with decentralized execution, giving the organization the best of both worlds: standardized, negotiated deals for a broad set of categories, plus local authority to buy quickly and with local knowledge when needed. This setup is why the statement about enabling managers to purchase a broad range of categories efficiently is the best description. It reflects how hybrid systems capture the efficiency and leverage of central buying while preserving the flexibility and responsiveness of local purchasing. Other options don't fit because a hybrid isn't purely centralized, which would contradict its decentralized, manager-enabled aspect; it doesn't limit purchases to a single vendor, which would curb flexibility; and supplier performance tracking remains important, not unnecessary, in a hybrid system.

6. In SCM terminology, which statement correctly describes the relationship between first tier and second tier suppliers?

- A. First tier suppliers deliver to a customer's factory; second tier suppliers deliver to first tier suppliers**
- B. First tier suppliers deliver to end customers; second tier suppliers deliver to retailers
- C. First tier suppliers are consumers; second tier suppliers are manufacturers
- D. First tier suppliers are distributors; second tier suppliers are retailers

In supply chain terms, tiers describe who a supplier directly serves. Tier 1 suppliers provide components or assemblies directly to the customer's production site (the OEM or manufacturer). Tier 2 suppliers, in turn, supply to those Tier 1 suppliers, not directly to the OEM. So the statement that Tier 1 delivers to the customer's factory and Tier 2 delivers to Tier 1 captures this structure correctly. The end customer and downstream retailers are outside this direct supplier-to-supplier chain, and the other options misplace who supplies whom or treat tiers as consumers or distributors.

7. What is the difference between service level and fill rate in inventory control?

A. Service level is the probability of meeting demand without stockouts; fill rate is the fraction of demand satisfied from stock on hand.

B. Service level equals fill rate.

C. Fill rate is probability of stockouts.

D. Service level is inventory turnover.

The difference comes from what each metric is actually measuring. Service level is about the chance you won't run out of stock during a replenishment cycle or lead time—it's the probability of meeting demand without a stockout. Fill rate, on the other hand, is about how much of the demand is satisfied directly from the inventory on hand, usually expressed as units filled divided by total units demanded. So you can have a high service level (low risk of stockouts) but a lower fill rate if some orders are only partially filled or backordered, though no stockout occurred in the cycle. Conversely, you can have a high fill rate (most demand met from stock) but a lower service level if stockouts occur in some cycles. An inventory turnover measure is a different concept entirely, tied to how quickly inventory is sold and replaced.

8. A key benefit of coordinated planning and information sharing in SCM is what?

A. Increased safety stock costs

B. No change in variability

C. Reduced bullwhip effect and safety stock costs through coordinated planning and information sharing

D. Increased lead times

Coordinated planning and information sharing across the supply chain helps align demand and supply by giving all partners timely, accurate visibility into demand, inventory, and plans. This reduces the bullwhip effect—the amplification of demand fluctuations as they move up the chain—because forecasts and orders become more stable and consistent rather than reacting to each local change. When forecasting and replenishment are coordinated, production and purchasing can be synchronized, inventory levels can be reduced to what is actually needed, and safety stock costs fall without sacrificing service levels. In short, sharing information and planning together dampens demand variability and lowers the extra safety stock that each link would otherwise hold.

9. Lead time is best described as the time from placing an order to receiving it.

- A. The time between successive production runs.
- B. The duration of a manufacturing cycle time within a single operation.
- C. The time from placing an order to receiving it, used to determine inventory needs.**
- D. The time to process an invoice after delivery.

Lead time is the total duration from when you place an order to when the goods are received and ready to use. This span is what you rely on to plan inventory, because it tells you how long you must wait before replenishment arrives and how much safety stock or how high a reorder point you need to avoid running out. The description that matches this idea exactly is the time from placing an order to receiving it, and it's specifically used to determine inventory needs. The other ideas describe different concepts: the time between successive production runs relates to batch scheduling and setup/changeover timing, not order fulfillment; the manufacturing cycle time within a single operation is the time to complete a production step or cycle, not the time from ordering to receiving; and the time to process an invoice after delivery concerns payment processing rather than how long it takes to get the goods.

10. What is a defining characteristic of Business Process Reengineering (BPR)?

- A. Incremental improvements to existing processes
- B. Radical rethinking and redesign of business processes to reduce waste and increase performance**
- C. Outsourcing all core activities
- D. Focusing only on cost reduction

A radical rethinking and redesign of business processes to dramatically improve performance by eliminating waste and reconfiguring how work flows end-to-end. This means not just small tweaks, but a fundamental change in how activities are organized, who does them, and how information moves across functions, often using technology as an enabler to create a faster, cheaper, higher-quality operation. The goal is large, cross-functional gains in metrics like cost, speed, quality, and customer value, rather than merely automating existing steps or making incremental improvements. Outsourcing all core activities isn't the defining idea, and simply focusing on cost reduction misses the broader aim of transformative performance improvement.

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://omis320exam1.examzify.com>

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

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