Taitt Supply Chain Management (SCM) 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

1. Forecasting and Demand Planning is a subfunction of which foundation?

A. Operations Management

B. Supply Management

C. Logistics Management

D. Integration

2. Cause-and-Effect Models can have multiple independent variables.

A. True

B. False

C. Depends on the model

D. Never

3. Raw materials are:

A. purchased items or extracted material that are converted via the manufacturing process into components and products

B. work-in-progress in various stages

C. finished goods ready for sale

D. maintenance, repair, and operating supplies

4. Which of the following is a subfunction of Operations Management?

A. Planning Systems

B. Forecasting and Demand Planning

C. Inventory Management

D. Process Management

5. Which statement describes the level production strategy?

A. Maintains a constant output rate while varying inventory and backlog according to fluctuating demand.

B. Adjusts capacity to match demand by hiring and laying off workers.

C. Maintains a stable core workforce with overtime.

D. Works best for make-to-order firms.

6. In EOQ discussions, which term is used interchangeably with 'holding costs'?

A. Ordering Costs

B. Stockout Costs

C. Purchase Price

D. Carrying Costs

7. Which method calculates available-to-promise using the most immediate uncommitted quantities?

A. Cumulative Available-to-Promise

B. Discrete Available-to-Promise

C. Time Fencing

D. Rough Cut Capacity Planning

8. Which function provides available quantities of the requested product and delivery due dates in response to customer inquiries?

A. MRP II

B. ATP

C. ERP

D. MPS

9. The Qualitative forecasting method is based on opinion and intuition.

A. True

B. False

C. Depends on context

D. Not enough information

10. Which of the following describes two common approaches to implementing ERP systems?

A. Local vs global deployment

B. Best of breed and single integrator solution

C. Open-source and proprietary

D. Cloud-only and on-premises-only

Answers

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

Explanations

1. Forecasting and Demand Planning is a subfunction of which foundation?

A. Operations Management

B. Supply Management

C. Logistics Management

D. Integration

Forecasting and demand planning focus on estimating future demand and aligning production and inventory decisions. This activity sits in operations management, which covers planning, scheduling, and controlling the transformation of inputs into outputs. The other areas handle sourcing (supply management), movement and storage (logistics management), or cross-functional coordination (integration); however, forecasting and demand planning are central to the operations management function that plans how a company produces and delivers goods and services.

2. Cause-and-Effect Models can have multiple independent variables.

A. True

B. False

C. Depends on the model

D. Never

Cause-and-effect models are built to explain an outcome as a function of factors that can drive it. There's no inherent limit to how many independent variables you can include; you can model several potential causes at once, estimate each factor's individual effect, and even explore how they interact. In practice, you might see an outcome influenced by price, advertising spend, seasonality, promotions, and availability all included as independent variables. This allows you to separate how each factor contributes and understand their combined impact. So, the statement is correct because multiple independent variables commonly appear in cause-and-effect modeling to capture real-world complexity. While some analyses may focus on a single driver, the modeling framework itself supports multiple causes.

3. Raw materials are:

A. purchased items or extracted material that are converted via the manufacturing process into components and products

B. work-in-progress in various stages

C. finished goods ready for sale

D. maintenance, repair, and operating supplies

Raw materials are the basic inputs used to manufacture products; they are purchased or extracted and then transformed during production into components and final goods. This distinguishes them from work-in-progress, which has already begun processing, and finished goods, which are completed and ready for sale. It also separates them from maintenance, repair, and operating supplies, which support manufacturing activities but do not become part of the finished product. For example, steel ingots or cotton fibers are raw materials that, after processing, become car parts or fabric, respectively. Therefore, the description that raw materials are purchased items or extracted material that are converted via the manufacturing process into components and products is correct.

4. Which of the following is a subfunction of Operations Management?

A. Planning Systems

B. Forecasting and Demand Planning

C. Inventory Management

D. Process Management

Forecasting and demand planning is a subfunction of operations management because it creates the bridge between market demand and the actual operating plan. By predicting how much customers will want and when, this function determines how much to produce, what levels of capacity are needed, and how much inventory to hold. These forecasts guide scheduling, capacity decisions, and replenishment policies, helping the operation align resources with anticipated demand and avoid both stockouts and excessive inventory. Other options describe important activities within operations, but they don't center on generating and translating demand into the plan in the same direct way. Planning systems refer to the tools and frameworks used to plan, inventory management focuses on controlling stock once plans are in place, and process management concentrates on designing and improving how work is done. Forecasting and demand planning uniquely encapsulate forecasting the future and shaping the operational plan around that forecast, making it the best fit as a subfunction.

5. Which statement describes the level production strategy?

A. Maintains a constant output rate while varying inventory and backlog according to fluctuating demand.

B. Adjusts capacity to match demand by hiring and laying off workers.

C. Maintains a stable core workforce with overtime.

D. Works best for make-to-order firms.

Level production keeps output at a constant, steady rate over time. When demand fluctuates, the system does not speed up or slow down production; instead, it uses changes in inventory or backlog to absorb those fluctuations. The statement that describes this exactly says you maintain a constant output rate while varying inventory and backlog according to fluctuating demand, which is the essence of a level production approach. The other ideas describe different planning methods: adjusting capacity through hiring and layoffs aligns with a chase strategy, where production follows demand. A stable core workforce with overtime doesn't state a fixed production rate as the central idea, and make-to-order focuses on producing to individual orders rather than maintaining a constant output rate to stock.

6. In EOQ discussions, which term is used interchangeably with 'holding costs'?

A. Ordering Costs

B. Stockout Costs

C. Purchase Price

D. Carrying Costs

Holding costs, discussed in EOQ, are the same as carrying costs. They cover the expense of keeping inventory on hand over time—essentially the capital tied up in stock plus storage, insurance, depreciation, obsolescence, and handling. These costs are typically expressed per unit per period or as a percentage of the purchase price. EOQ aims to balance these carrying (holding) costs against ordering costs, so the term used for the cost of keeping inventory is carrying costs. Other terms refer to different cost areas: ordering costs are the expenses of placing and receiving orders; stockout costs occur when inventory runs out and demand is unmet; purchase price is the cost to buy the items, a separate input to the model.

7. Which method calculates available-to-promise using the most immediate uncommitted quantities?

A. Cumulative Available-to-Promise

B. Discrete Available-to-Promise

C. Time Fencing

D. Rough Cut Capacity Planning

The concept being tested is how ATP (available-to-promise) is calculated with respect to up-to-the-minute, uncommitted stock. Discrete ATP focuses on the most immediate uncommitted quantities for a specific date or order. It looks at the current on-hand inventory and the very latest uncommitted receipts or allocations that affect that short time window, and then subtracts what's already promised to other orders. The result is a precise, up-to-date amount you can actually promise now, which makes it the most responsive method for immediate order promising. In contrast, cumulative ATP sums up uncommitted quantities across a broader time horizon, which can include future receipts and allocations not yet ready to be released, making it less reflective of the exact, current availability for an imminent promise. Time fencing restricts changes to orders after certain dates, rather than computing ATP, and rough cut capacity planning is about matching overall capacity with demand in a rough way, not about fine-grained, current uncommitted stock for promises.

8. Which function provides available quantities of the requested product and delivery due dates in response to customer inquiries?

A. MRP II

B. ATP

C. ERP

D. MPS

Available-to-promise (ATP) is the function that provides the available quantities of the requested product along with delivery due dates in response to customer inquiries. It determines how much can be promised now by examining on-hand inventory, scheduled receipts, and current allocations, then projecting the earliest possible delivery date for the promised quantity. This capability is exactly what sales teams need to respond quickly to customers about what can be delivered and when. Other approaches like MRP II focus on coordinating resources to meet plans, MPS outlines the production schedule, and ERP covers broader enterprise processes; none are as directly focused on promising a specific quantity by a specific date to customers as ATP.

9. The Qualitative forecasting method is based on opinion and intuition.

A. True

B. False

C. Depends on context

D. Not enough information

Qualitative forecasting relies on human judgment. It uses experts' opinions, insights, and intuition to estimate future outcomes, especially when historical data are scarce, unreliable, or irrelevant to the situation at hand. Techniques like expert panels, interviews, market research, and the Delphi method gather subjective assessments rather than purely numerical measurements, which is why this approach is chosen for uncertain or novel scenarios. While some structured qualitative methods try to elicit and organize these opinions systematically, the inputs themselves come from people's judgments, not from numerical historical data. That makes the statement true. In contrast, quantitative forecasting would be about numerical data and statistical models.

10. Which of the following describes two common approaches to implementing ERP systems?

A. Local vs global deployment

B. Best of breed and single integrator solution

C. Open-source and proprietary

D. Cloud-only and on-premises-only

Two common ways to implement ERP systems are best-of-breed and a single integrator solution. Best-of-breed means picking the strongest module for each business area (like finance, procurement, HR, etc.) from different vendors and tying them together. This approach gives you the ability to choose best-in-class functionality for each function and tailor the mix to fit specific needs, but it also requires more effort to integrate data and processes across multiple suppliers and to manage ongoing cross-vendor updates. A single integrator solution, often an integrated suite from one vendor or a tightly aligned package delivered by a single system integrator, provides a unified data model and built-in cross-module workflows. The advantage is simpler, faster deployment and easier maintenance, with less risk of data compatibility issues. However, it can limit customization and may require compromises to fit every niche requirement. The other options describe where you deploy or how you license and host ERP, not the fundamental strategy for selecting and coordinating modules across the system.

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://taittscm1.examzify.com

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