

# Taitt Supply Chain Management (SCM) Exam 2 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 role is associated with working in teams, monitoring quality, and improving the production process?**
  - A. Role of Workers**
  - B. Role of Management**
  - C. Role of Suppliers**
  - D. Quality Assurance**
  
- 2. Backward Vertical Integration involves which action?**
  - A. Company buys a supplier**
  - B. Company buys a customer**
  - C. Local branches buy everything**
  - D. Corporate buys everything**
  
- 3. Which concept emphasizes delivering materials exactly when needed to minimize inventory?**
  - A. Just-in-time (JIT)**
  - B. Quick Response**
  - C. ECR**
  - D. TPS**
  
- 4. Which inventory arrangement has the manufacturer responsible for maintaining the retailer's inventory levels in each store?**
  - A. Vendor-Managed Inventory (VMI)**
  - B. Co-Managed Inventory (CMI)**
  - C. Supplier Co-Location**
  - D. Rights and Duties**
  
- 5. In-sourcing is defined as which of the following?**
  - A. Reverting back to in-house production after outsourcing**
  - B. Sharing a process/function between internal staff and external providers**
  - C. Company buys a supplier**
  - D. Corporate buys everything**

- 6. Which internal document defines the need for goods/services, when and where you need them?**
- A. Purchase Requisition**
  - B. Purchase Order**
  - C. RFI**
  - D. Contracting**
- 7. In the context of supplier evaluation, which item is NOT typically listed as a metric?**
- A. On-time delivery performance**
  - B. Price/cost performance**
  - C. Product quality**
  - D. Contract compliance**
- 8. Which 5S element focuses on documenting standards and ensuring consistent methods to sustain improvements?**
- A. Standardize**
  - B. Sort**
  - C. Shine**
  - D. Sustain**
- 9. What term refers to the consolidated list of suppliers a company engages with to procure inputs?**
- A. Supply Base**
  - B. Supply Base Rationalization**
  - C. Preferred Suppliers**
  - D. Strategic Alliance**
- 10. In sourcing strategies, what does the term "Single Source" describe?**
- A. Purchasing from a single supplier**
  - B. Purchasing from multiple suppliers**
  - C. Outsourcing to a third party**
  - D. Insourcing to internal teams**

## Answers

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

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## **Explanations**

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**1. Which role is associated with working in teams, monitoring quality, and improving the production process?**

- A. Role of Workers**
- B. Role of Management**
- C. Role of Suppliers**
- D. Quality Assurance**

Working on the shop floor, workers naturally form teams, watch quality as the production line runs, and look for ways to improve the process. They are closest to the actual methods, helping to catch defects early and implement small, frequent improvements that reduce waste and boost efficiency. Management handles planning and resource decisions, suppliers provide inputs, and quality assurance focuses on standards and audits, rather than the day-to-day teamwork and on-the-spot problem-solving that workers drive on the line.

**2. Backward Vertical Integration involves which action?**

- A. Company buys a supplier**
- B. Company buys a customer**
- C. Local branches buy everything**
- D. Corporate buys everything**

Backward vertical integration is when a company expands control over its inputs by acquiring or owning its suppliers. By buying a supplier, the company secures essential inputs, can negotiate better prices, reduce supply risk, and influence quality and delivery times. This directly reflects moving upstream in the supply chain. Buying a customer would be forward integration, which is moving downstream toward the end user. The other options don't describe this upstream expansion, so the action of acquiring a supplier best fits backward vertical integration.

**3. Which concept emphasizes delivering materials exactly when needed to minimize inventory?**

- A. Just-in-time (JIT)**
- B. Quick Response**
- C. ECR**
- D. TPS**

Delivering materials exactly when needed to minimize inventory is Just-in-time. This approach pulls materials into the production process only as they're required, so stock sits for as little time as possible and work-in-process shrinks. When a part is consumed, a signal triggers its replenishment, keeping inventories lean and reducing carrying costs, obsolescence, and waste. For Just-in-time to work well, you need reliable suppliers, stable demand, small lot sizes, quick setup times, and an effective signaling system (like Kanban). It also means the supply chain is tightly synchronized with the production schedule, so any disruption can have amplified effects due to limited buffers. Quick Response focuses on rapid replenishment in consumer retail to minimize stockouts and markdowns; Efficient Consumer Response centers on collaboration across retailers and manufacturers to improve service levels and efficiency; the Toyota Production System is a broader framework that includes Just-in-time as a tool among other principles.

**4. Which inventory arrangement has the manufacturer responsible for maintaining the retailer's inventory levels in each store?**

**A. Vendor-Managed Inventory (VMI)**

**B. Co-Managed Inventory (CMI)**

**C. Supplier Co-Location**

**D. Rights and Duties**

Vendor-Managed Inventory is the arrangement where the supplier takes responsibility for monitoring the retailer's stock levels and replenishing inventory in each store to keep products on the shelf at agreed levels. The retailer shares sales and inventory data with the supplier, who then plans and ships replenishments, reducing stockouts and easing store-level logistics. This contrasts with co-managed inventory, where control is more shared, and other terms aren't about the supplier owning and maintaining in-store inventories.

**5. In-sourcing is defined as which of the following?**

**A. Reverting back to in-house production after outsourcing**

**B. Sharing a process/function between internal staff and external providers**

**C. Company buys a supplier**

**D. Corporate buys everything**

In-sourcing means bringing work back inside the organization and having internal staff and resources perform a function that was previously handled by an outside provider. This approach is often chosen to regain control over quality, timing, and costs, or to protect strategic processes and knowledge. Reverting back to in-house production after outsourcing fits this definition exactly, which is why it's the best description of in-sourcing. The other ideas describe different arrangements: sharing a process between internal and external teams is a hybrid or co-sourcing setup, not true in-sourcing; buying a supplier relates to acquisition or vertical integration rather than bringing work in-house; and buying everything suggests an extreme form of control that isn't what in-sourcing refers to.

**6. Which internal document defines the need for goods/services, when and where you need them?**

**A. Purchase Requisition**

**B. Purchase Order**

**C. RFI**

**D. Contracting**

Capturing an internal need and its timing is done through a purchase requisition. This document starts the procurement process by specifying what is required, how much, when it's needed, and where it should be delivered. It comes from the requesting department or user and communicates the requirement to the purchasing team, often routing for approvals and budget checks. It does not commit to a supplier; that happens later when a purchase order is issued. An RFI is used to gather information about potential suppliers, not to state internal needs or delivery dates. Contracting refers to establishing the formal terms with a supplier after selection, not to initiating the need.

**7. In the context of supplier evaluation, which item is NOT typically listed as a metric?**

- A. On-time delivery performance**
- B. Price/cost performance**
- C. Product quality**
- D. Contract compliance**

Supplier evaluation focuses on how well a supplier performs in key operational areas that affect the ability to meet requirements. On-time delivery performance is a core metric because it shows reliability and how consistently the supplier can meet promised delivery dates, which directly impacts production schedules. Product quality is essential too, as it measures how well the supplier's output meets specifications and how often defects occur, influencing scrap, rework, and customer satisfaction. Contract compliance is about whether the supplier follows the agreed terms, processes, and documentation, which reduces risk and ensures governance. Price or cost performance, while important in overall value and total cost of ownership analysis, is not typically listed as a performance metric of the supplier's operational capabilities in many evaluation frameworks. It's usually analyzed separately to weigh financial impact and value, rather than assessing how the supplier performs day-to-day.

**8. Which 5S element focuses on documenting standards and ensuring consistent methods to sustain improvements?**

- A. Standardize**
- B. Sort**
- C. Shine**
- D. Sustain**

Standardize is the step that codifies how improvements are to be carried out. It involves documenting the exact standards for processes, layouts, and routines—creating standard work, checklists, and visual controls so everyone follows the same method. With clear, repeatable standards, training becomes easier, audits can verify adherence, and any deviations can be quickly corrected, helping to lock in gains. Sustain is the outcome—the ongoing effort to maintain those gains—but the actual act of documenting the standards and enforcing consistent methods is what enables that sustained performance. Sorting and Shine address removing waste and keeping the area clean, but they don't by themselves embed the repeatable, documented practices that prevent drift over time.

**9. What term refers to the consolidated list of suppliers a company engages with to procure inputs?**

- A. Supply Base**
- B. Supply Base Rationalization**
- C. Preferred Suppliers**
- D. Strategic Alliance**

The concept tested is the supply base—the consolidated list of suppliers a company engages with to procure inputs. This list represents every supplier the firm sources from, forming the pool used for sourcing decisions, negotiations, and risk management. Why this is the best fit: a supply base is specifically the complete set of suppliers a company works with to obtain inputs, whereas the other terms describe actions or relationships built from that pool. Supply base rationalization is the process of trimming or optimizing the list. Preferred suppliers are a subset chosen for favorable terms within the base. A strategic alliance refers to a long-term, collaborative partnership with one or more suppliers, not the list itself. For example, a manufacturer might maintain a supply base that includes ten suppliers for a key material; they may later rationalize to eight, designate a few as preferred for strategic categories, and pursue strategic alliances with top partners for joint development.

**10. In sourcing strategies, what does the term "Single Source" describe?**

- A. Purchasing from a single supplier**
- B. Purchasing from multiple suppliers**
- C. Outsourcing to a third party**
- D. Insourcing to internal teams**

Single Source describes obtaining a required item or service from one supplier only. The main advantage is simplification: a single point of contact, unified terms, easier coordination, and often stronger collaboration that can lead to better quality, faster issue resolution, and favorable pricing through committed volumes or longer-term agreements. The trade-off is increased risk: if that supplier faces a disruption, there's no immediate alternative readily available. This approach is chosen when the benefits of a close, committed partnership and predictable supply outweigh the risks, or when the item is highly specialized and effectively available from only one vendor. It is not about buying from multiple suppliers, outsourcing to another company, or bringing the work inside your own organization.

## 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://taittscm2.examzify.com>**

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

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