DUMPSARENA

Whole Life Asset Management

CIPS L4M7

Version Demo

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QUESTION NO: 1

Bulk loose coal that requires massive handling system should be stored in which area?

A. Chill hub

B. Stockyard

C. Heating warehouse

D. Store

ANSWER: B

Explanation:

Explanation

Materials that will not easily deteriorate, are generally stored in open or fairly covered areas (stockyard). The materials are usually in bulk, like steel plates or coils casting, timber coal, steel barrels, cable drums, piping, lampposts, lorries, etc.

Stockyards are open or semi-covered areas that are used for the following:

- Bulk loose or packaged materials

- Bulky or oversized items that may be difficult to move inside

- Materials that may require specialised handling, loading or unloading

Below image shows the example of a stockyard that stores loose coal and its handling system.

LO 1, AC 1.1

QUESTION NO: 2

Which of the following are typical characteristics of 2D barcodes? Select TWO that apply.

A. Every 2D barcodes must conform international standards

B. The 2D barcodes are machine-readable

C. 2D barcodes are exclusively used for marketing purpose

D. 2D barcodes can be read by linear scanners

E. 2D barcodes can contain more data than 1D barcodes

ANSWER: B E

Explanation:

Explanation

Two-dimensional (2D) barcodes look like squares or rectangles that contain many small, individual dots. This has many different types (i.e. Data matrix, QR codes, Aztec code,...) and several different standards in use (i.e. GS1 standards, ISO/IEC 18004:2015). It can be substituted for 1D barcode, but it has the capability to hold a larger amount of data. For examples, GS1 Data Matrix can contain 3116 Numeric characters or 2335 Alphanumeric characters while GS1-128 barcode has maximum capacity of 48 characters.

Like 1D barcodes, 2D barcodes are also machine-readable with dots/squares and spaces. They have symbology like this:

Since the code is two dimensional, conventional laser scanner can't read it. 2D barcodes require imaging scanner to read.

2D barcodes can be also used for different purposes throughout the supply chain: identifying prod-ucts/SKU (single unit, packaged or pallet), identifying content of a purchase order or delivery, identifying the batch number from which the item originates, identifying the manufacturer, country of origin etc, tracking status of an order, shipment or delivery

Reference: CIPS study guide page 44-46

LO 1, AC 1.2

QUESTION NO: 3

MRP software is a powerful tool for managing material requirements of manufacturing processes. To keep the software function well, an organisation must have appropriate input data. Which of the following are the inputs of MRP software? Select THREE that apply.

A. Master production schedule

B. Bill of materials

C. Capacity requirement plan

D. Payrolls information

E. Facilities management

F. Inventory records

ANSWER: A B F

Explanation:

Explanation

A powerful benefit of MRP system is the capacity to produce exception reports, which show deviations from normal planning and performance. These enable anomalies to be investigated with a view to improve future forecasting.

Material requirement planning is an electronic system for combining the following:

- Known demand

- Forecast demand. Known demand and forecasted demand are shown in master production schedule.

- Bill of materials for the final product

- Inventory records

Reference: CIPS study guide page 116-119

LO 2, AC 2.3

QUESTION NO: 4

A pharmaceutical firm offers a new drug called NC-01. After analysing the market, the firm realises that the demand is largely variable. But they still have to forecast the customer demand for the next production cycle. The new drug NC-01 is best described as which type of item?

A. Dependent demand

B. Indirect demand

C. Overhead items

D. Independent demand

ANSWER: D

Explanation:

Explanation

Dependent demand is the requirement for stock item which is directly related to and therefore de-pendent upon the rate of production (examples are: raw materials, components, energy)

Independent demand is the requirement for stock item which is not directly related to, and is therefore independent of rate of production. Although independent demand is called thus, it can still be influenced by economic factors external to the demand-supply model such as general consumer sentiment and consumers' available disposal income. However, businesses that need to predict the number of products with independent demand needed to sate their customers have it easier than businesses that must calculate the demand for products with dependent demand because there are fewer factors to consider.

In this scenario, the new drug is finished good which is dependent on the demand of the market, and the firm needs to forecast before initiating the production process. The item is independent from rate of production, therefore, it must be independent demand item.

Reference: CIPS study guide page 95-98

LO 2, AC 2.1

QUESTION NO: 5

Which of the following are recognised as disadvantages of ERP systems? Select TWO that apply.

A. High initial investment

B. Required intensive employee training

C. Only applied to manufacturing

D. Lower factory efficiencies
Excluded inventory records

ANSWER: A B

Explanation:

Explanation

Implementing a full ERP system is not an easy option. They are complex systems and the disad-vantages include the following:

- The installation of the ERP system is costly. ERP consultants are very expensive take approxi-mately 60% of the budget.

- The success depends on the skills and experience of the workforce, including education and how to make the system work properly.

- Resistance in sharing internal information between departments can reduce the efficiency of the software.

- The systems can be difficult to use.

- Change of staff, companies can employ administrators who are not trained to manage the ERP system of the employing company, proposing changes in business practices that are not synchro-nized with the system.

- Having an ERP system has many advantages, but does not guarantee the total success of the company. Organizational culture, know how to involve staff and anticipate changes that will suffer the organization using this system of administration, are important elements for the completion of the implementation.

- The effectiveness of the ERP system may decrease if there is resistance to share information be-tween business units or departments. Due to strong changes that implementation of the ERP system brings in the culture of work, there may be poorly trained or disinterested in making use of the same staff...

- The benefits of having an ERP system are not presented immediately with the implementation of the software, they will be evident long after the system is running.

- The culmination of the implementation depends on the ability and skill of the workforce, also involves education and training, to make the system is correctly applied.

Reference:

- What are the Advantages and Disadvantages of ERP System

- CIPS study guide page 119-122

LO 2, AC 2.3

QUESTION NO: 6

Which of the following are subjective forecasting techniques? Select TWO that apply.

A. Delphi method

B. Test marketing

C. Cycle counting

D. Pareto principle
Weighted moving average

ANSWER: A B

Explanation:

Explanation

The most common subjective forecasting techniques include the following:

- Market surveys

- Employee surveys

- Expert knowledge (Delphi method is a method using expert knowledge)

- Test marketing

Cycle counting is a periodic analysis of inventory in a storage location which is conducted through the counting of samples instead of physically counting the entire inventory available, so as to quickly have an accurate estimate of the inventory available without causing a stop to the day to day working as is the case with physically counting every unit.

The Pareto principle (also known as the 80/20 rule, the law of the vital few, or the principle of fac-tor sparsity) states that, for many events, roughly 80% of the effects come from 20% of the causes.

Weighted moving averages assign a heavier weighting to more current data points since they are more relevant than data points in the distant past. The sum of the weighting should add up to 1 (or 100 percent).

Reference: CIPS study guide page 109-111

LO 2, AC 2.3

QUESTION NO: 7

Which of the following allow the operators to access higher levels in warehouse facility? Select TWO that apply:

A. Carousel

B. Grab

C. Order picker

D. Scissor platform

E. Stacker crane

ANSWER: C D

Explanation:

Explanation

It is important to ensure safe working in storage facilities, and access to higher shelves or racking presents a challenge. Lifting at full reach becomes a problem at relative low weight. There can also be danger for other workers who are around someone working at height, from the movement of equipment or dropping stock from a height.

Scissor platforms are used in high-roof warehouses to gain access to lighting, high-racking units and sections of wall and roof.

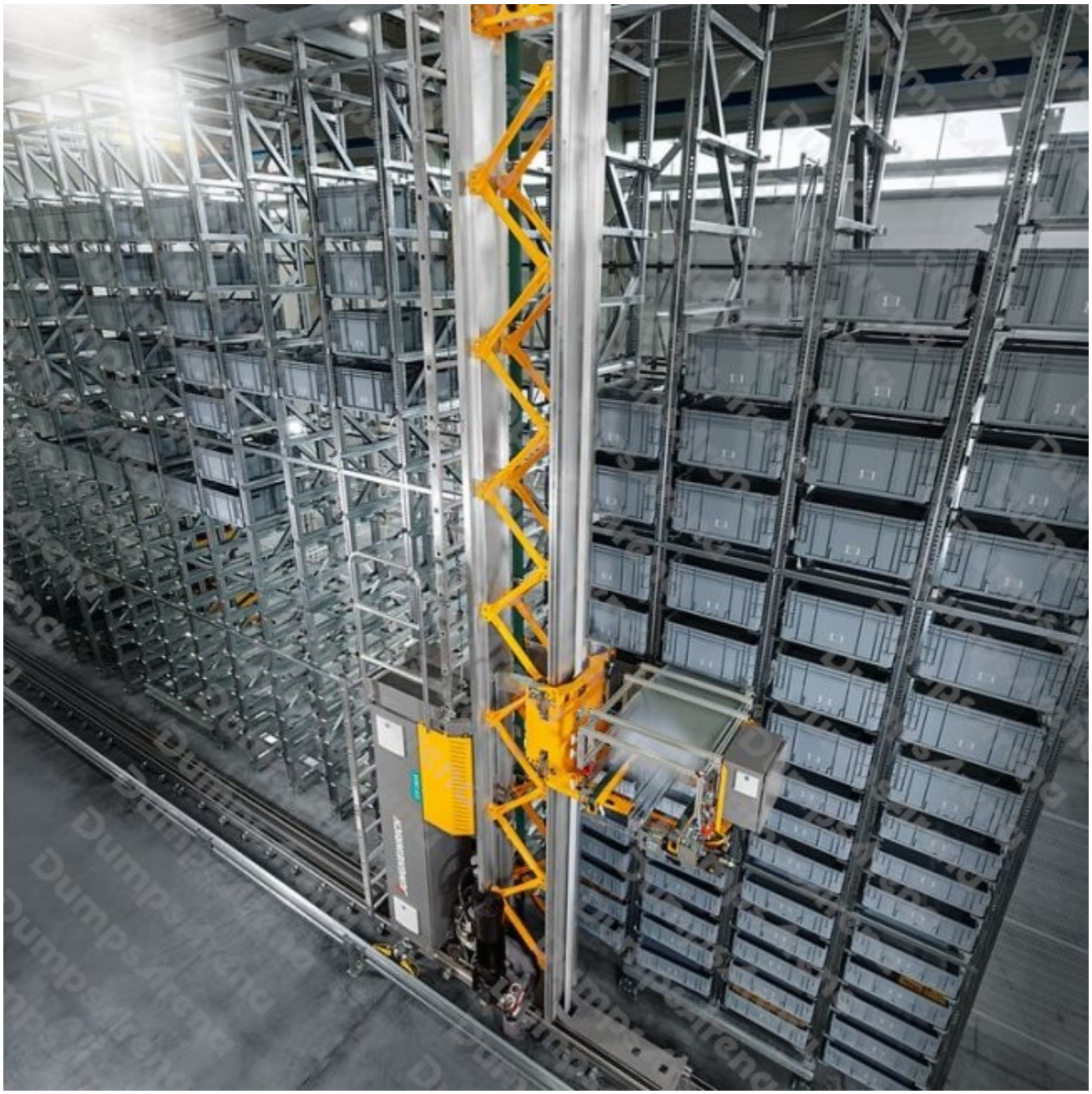

01 - 05
01 -

ORDER PICKER is manual or powered device - some with ride-on capability and some without. This allow for low-level, medium-level and high-level picking of various items. Many are equipped with forks to allow transfer capability of larger picked boxes. Higher-level and narrow or very narrow -aisle versions have the ability to elevate operators on the front platform to higher racking to pick items.

Grabs are designed to hold stock either width-wise or from above. These are either specific devices designed for grabbing materials or are available as an accessory to forklift trucks.

Carousels are space-efficient, rotating devices which allow access to a large range of product from a single location. Designs are variable, with carousels rotating horizontally or vertically until the required items can be retrieved.

Stacker-cranes are designed for the automated storage and retrieval of unit loads, in high-bay warehouses. They travel in aisles equipped with guide rails, electrical supply, data transmission and control systems. To ensure the storage and retrieval functions, the stacker-crane carries out three types of movement : long-travel, lifting and picking.



Reference: CIPS study guide page 52-55

LO 1, AC 1.3

QUESTION NO: 8

XYZ Ltd is a retailer in the US. Their customers' demand for Thanksgiving and Christmas decora-tions usually rises in the end of the year. This irregular demand results in more required storage space for finished goods during peak seasons. Which of the following are possible solutions for dealing with required additional space?

1. Maximising aisle width

2. Keeping high buffer stock throughout the year

3. Maximising flexibility in warehouse layout

4. Installing mezzanine floor

A. 1 and 3 only

B. 2 and 4 only

C. 1 and 2 only

D. 3 and 4 only

ANSWER: D

Explanation:

Explanation

Possible solutions to the high irregular or seasonal demand problems are listed below:

• Take advantage of the height of the warehouse

- Mezzanine floor

- High racking system (increase storage capacity but require high-reach material handling equip-ment)

• Eliminate dead stock or inventory

• Improve material flow

• Improve storage location method

• Consider using aisle space during demand peak

• Narrow aisles between racks (require narrow handling equipment)

• Carousel-type storage system

• Auto-storage and retrievals system (ASRS)

Reference: CIPS study guide page 22

LO 1, AC 1.1

QUESTION NO: 9

An electricity company charges its customers monthly fee for access and a usage fee for consump-tion of electricity. Which pricing structure is the company using?

A. Fixed pricing

B. Multi-part pricing

C. Dynamic pricing

D. Freemium Pricing

ANSWER: B

Explanation:

Explanation

Multi-part pricing. The transaction price is calculated from using two or more metrics rather than just one. The most common economic example of a price structure beyond unit pricing is called a two-part tariff. Basically it can be described such that the “entrance fee” provides the privilege of purchasing the metered component. A common multi-part tariff is the two-part tariff in electricity, under which the customer pays a monthly fee for access and a usage fee for consumption of electricity. With this two-part tariff, the operator is able to charge a price equal to marginal cost for electricity, which is profit maximizing, and deviate from marginal cost pricing in the fee for access.

Freemium is an internet-based pricing strategy where a service is offered for free in the beginning, but the price is charged on the premium package with some additional features. However, freemium pricing strategy is different from the premium pricing strategy because freemium offers free sample which you can use without paying anything, you’ll only be charged when you want additional features.

Demand pricing is also synonymously used for dynamic pricing; it is a relative term used in the online platform. Dynamic pricing means different pricing is charged from the different customers depending upon the urgency, customer’s ability and demand of the customers.

Reference: CIPS study guide page 140-141

LO 3, AC 3.1

QUESTION NO: 10

Which type of codes can a barcode laser scanner (linear scanner) read?

A. Numerical code

B. QR code

C. Aztec code

D. 1D barcode

ANSWER: D

Explanation:

Explanation

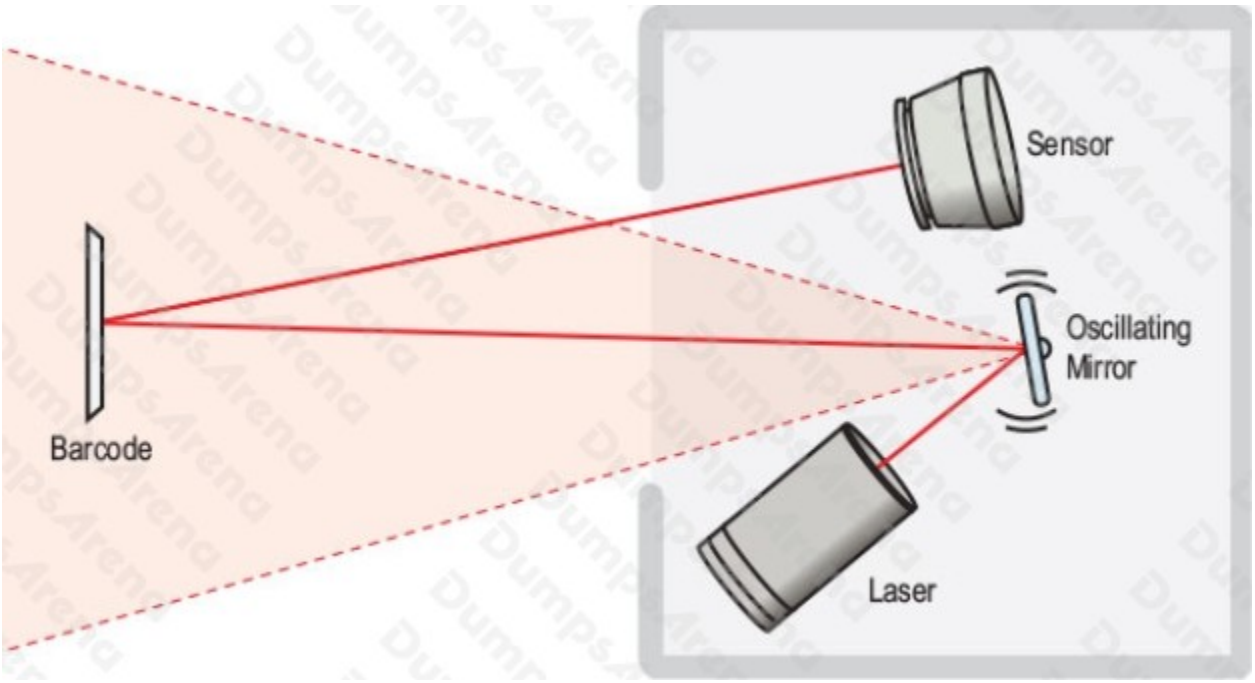
One-dimensional (or 1D) barcodes systematically represent data by varying the widths and spac-ings of parallel lines. These include some of the most traditional and well-recognized barcode types, such as the UPC and EAN codes. 1D barcodes are also commonly referred to as linear barcodes.

Two-dimensional (2D) barcodes look like squares or rectangles that contain many small, individual dots. QR codes, Data matrix and Aztec codes are examples of 2D barcodes

Numerical code contains all numbers, no letters

There are two different scan engine types (laser scanner versus imager) for interpreting the infor-mation provided in the barcode. Many companies producing the technology capable of reading the barcode data uses the term “scanning” regardless of the type of scan engine used. For the purposes of these FAQs, we are trying to draw a clearer distinction for you.

Linear (1D) codes can be scanned with a traditional laser scanner. A laser scan engine uses a laser and mirror to create the bar that scans the information. 1D barcode scanners will only interpret the linear barcode scanning technology. 1D barcode scanners are typically less expensive since the type of encryptions they can decode is limited.



LO 1, AC 1.2