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Exam : L4M4

**Title : Ethical and Responsible
Sourcing**

Version : DEMO

1.What is the best way to demonstrate that your organisation does not tolerate bribery and corruption?

- A. Not working with suppliers who you have heard have a reputation for bribery and corruption
- B. Requesting your supplier's ethical policies on an annual basis
- C. Having full anti-bribery training, policies, and procedures in place
- D. Asking all suppliers to read your organisation's policy on anti-bribery and corruption

Answer: C

Explanation:

Implementing full anti-bribery training, policies, and procedures demonstrates a proactive stance against bribery and corruption. Ethical sourcing principles encourage organisations to institutionalise comprehensive anti-bribery measures to ensure transparency, fairness, and compliance within the supply chain, reducing the risk of corrupt practices.

2.Ramesh is an IT category manager within the UK's National Health Service and is responsible for the procurement of a new high-value network system, which will spread across multiple doctors' practices and community health centres. Ramesh has reviewed different tender approaches and concluded that the use of a restricted tender is the most appropriate.

Which of the following statements is true for a restricted tender process?

- A. Direct negotiations occur prior to suppliers submitting their offer
- B. The contract will be awarded strictly on pricing criteria
- C. Suppliers responding to the tender are pre-qualified
- D. It is only relevant when there are few suppliers in the market

Answer: C

Explanation:

In a restricted tender process, only pre-qualified suppliers are invited to bid, ensuring that participating suppliers have met necessary qualifications. This approach helps in managing high-value contracts by focusing on capable suppliers. Ethical and responsible sourcing in the public sector demands supplier pre-qualification to ensure compliance, transparency, and quality.

3.Many organisations prefer a multi-sourcing approach because of the advantages it provides.

Which of the following might be an advantage of multi-sourcing?

- A. It is the only approach that supports the open tendering process
- B. It is the only approach that enables the buyer to isolate the best supplier from among many
- C. It helps the buyer to increase stock varieties to avoid stock-outs
- D. It increases process flexibility and switching using a range of approved suppliers

Answer: D

Explanation:

Multi-sourcing allows organisations to diversify their supply base, providing flexibility, and reducing risk by having multiple suppliers. It is an effective strategy to prevent over-dependence on a single source and allows for competition among suppliers, promoting quality and ethical standards in the supply chain.

4.A procurement manager of a medium-sized company has suggested to their executive board that implementing an ISO environmental standard would improve procurement practices and reduce environmental and social impacts. However, some colleagues are concerned about the potential complexity and supplier resistance.

Should the company go ahead with the recommendation?

- A. Yes, as it would align with, and help to achieve, sustainability goals
- B. No, ISO standards are too complex for staff and suppliers to understand and follow
- C. No, because ISO standards are only relevant to large organisations
- D. Yes, implementation would guarantee that the company is compliant with all environmental laws

Answer: A

Explanation:

Adopting ISO environmental standards aligns procurement practices with sustainability goals and helps reduce environmental and social impacts. Although implementing ISO standards may require initial adjustments, they foster long-term benefits by promoting responsible and ethical sourcing practices across the supply chain.

5.A buyer might opt to do an 'Invitation to Tender' rather than a 'Request for Quotation' process because ...

- A. The supplier market is an oligopoly where there are a few large suppliers dominating the market
- B. Time is of the essence, and decisions need to be made quickly without additional stakeholder involvement
- C. The contract will be low value and there are many suppliers, so a simpler approach is required
- D. The nature of the goods or services being purchased is complex and high value

Answer: D

Explanation:

An Invitation to Tender (ITT) is typically used for complex, high-value procurements where the quality and specific features of the goods or services are of paramount importance. This approach ensures that ethical and responsible sourcing criteria are met, aligning with best practices in procuring specialised goods or services.