

# CPIM Practice Test Questions and Answers

## 1. What is the primary objective of Materials Requirements Planning (MRP)?

- A) Minimize inventory carrying costs only
- B) Ensure the right materials are available at the right time and quantity
- C) Maximize production capacity utilization
- D) Reduce workforce requirements

## 2. Which inventory management technique is most appropriate for high-value, low-demand items?

- A) ABC analysis - Category A items
- B) Just-in-Time (JIT)
- C) Economic Order Quantity (EOQ)
- D) Periodic review system

## 3. What does the bullwhip effect describe in supply chain management?

- A) Steady demand patterns throughout the supply chain
- B) Amplification of demand variability as it moves upstream in the supply chain
- C) Decreased inventory levels at distribution centers
- D) Improved communication between supply chain partners

## 4. Which production planning strategy is most suitable for products with seasonal demand patterns?

- A) Level production strategy
- B) Chase demand strategy
- C) Mixed strategy combining level and chase approaches
- D) Make-to-order strategy only

Answers: 1-B 2-A 3-B 4-C

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