

ARIZONA STATE UNIVERSITY (ASU) SCM 300 GLOBAL SUPPLY OPERATIONS EXAM 2 PRACTICE (SAMPLE) STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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THE FULL VERSION STUDY GUIDE

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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 of the following is a retail source of supply?

- A. Drop shippers
- B. Direct-to-consumer from manufacturers
- C. Manufacturers, wholesalers, and drop shippers
- D. Retail stores

2. What does OTIF stand for?

- A. On-Time Delivery Index
- B. On-Time In-Full
- C. On-Time In-Full Deliveries
- D. On-Time Freight in Full

3. Finite Population of Customers: Which statement describes a finite population?

- A. The number of customers is unlimited.
- B. The line length is unlimited.
- C. The number of customers is limited.
- D. The service rate is variable.

4. Which statement lists the components of inventory carrying cost?

- A. Storage space cost, insurance, and taxes only.
- B. Capital cost and obsolescence only.
- C. Storage space cost, capital cost (opportunity cost of capital), obsolescence, insurance, taxes, handling, and shrinkage.
- D. Freight and sales commissions.

5. What are Free Trade Agreements (FTAs) and how do they affect global sourcing decisions?

- A. A domestic market-only arrangement that does not affect international trade.
- B. Agreements that reduce or eliminate tariffs between member countries; they influence supplier selection, pricing, and lead times.
- C. They are environmental compliance standards for suppliers.
- D. They are internal procurement policies unrelated to trade.

- 6. Reduce, Reuse, Recycle emphasizes which of the following?**
- A. Conserving materials and energy, maximizing resource use, and finding new uses for items
 - B. Disposing all waste in landfills
 - C. Maximizing production without regard to waste
 - D. Recycling only consumer packaging
- 7. Which statement about import duties and preferential trade agreements is correct?**
- A. Preferential trade agreements have no impact on duties.
 - B. Duties are solely determined by supplier preference.
 - C. Preferential trade agreements can reduce duties for qualified products under FTAs if criteria are met.
 - D. Duties are always fixed and never vary with origin.
- 8. What was the second challenge in implementing C.A.F.E. Practices?**
- A. High import tariffs on coffee.
 - B. As C.A.F.E. Practices were updated and refined, it became a daunting job to effectively communicate revised requirements to farmers, suppliers, and other members of the industry.
 - C. Difficulties in obtaining financing for farmers.
 - D. Lack of quality control procedures.
- 9. Which term describes a map that specifies where every product goes on a retail store shelf?**
- A. Prototype Stores
 - B. Planogram
 - C. Last Mile
 - D. Waiting Line
- 10. Why would suppliers have an incentive to remain with Starbucks under C.A.F.E. Practices?**
- A. They receive ongoing price subsidies.
 - B. They gain preferential access to Starbucks branding opportunities.
 - C. They have invested resources to comply with Starbucks programs.
 - D. They are guaranteed long-term exclusive contracts.

Answers

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

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Explanations

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1. Which of the following is a retail source of supply?

- A. Drop shippers
- B. Direct-to-consumer from manufacturers
- C. Manufacturers, wholesalers, and drop shippers**
- D. Retail stores

Retail sources of supply are the channels retailers use to obtain inventory for resale. This includes manufacturers, wholesalers, and drop shippers. Each plays a distinct role: manufacturers can sell directly to retailers, wholesalers supply retailers in bulk, and drop shippers fulfill orders by shipping from the manufacturer to the end customer, which can help retailers offer products without carrying excess stock. The option that combines all three—manufacturers, wholesalers, and drop shippers—best captures the typical ways retailers obtain goods. A single category like drop shippers or direct-to-consumer from manufacturers doesn't cover all common sourcing paths, and retail stores themselves aren't suppliers to other retailers.

2. What does OTIF stand for?

- A. On-Time Delivery Index
- B. On-Time In-Full
- C. On-Time In-Full Deliveries**
- D. On-Time Freight in Full

OTIF stands for On-Time In-Full Deliveries. This KPI measures whether shipments arrive as promised in two ways: they are delivered on the scheduled date (on-time) and they include all items in the order (in-full). The combination of these two criteria captures the reliability of fulfillment to customers or retailers. In practice, teams use OTIF to gauge supplier performance and drive improvements in order processing, inventory availability, and delivery accuracy. The other options miss the typical phrasing or shift the focus (for example, an index, or freight) away from the actual delivery event, whereas the standard term explicitly ties to delivering complete orders on time.

3. Finite Population of Customers: Which statement describes a finite population?

- A. The number of customers is unlimited.
- B. The line length is unlimited.
- C. The number of customers is limited.**
- D. The service rate is variable.

A finite population means the total number of potential customers is fixed and limited. In such models, the pool of customers can shrink as people are served and depart, which in turn affects future arrivals. Saying the number of customers is limited directly captures this idea. The other statements don't describe population size: an unlimited line length talks about how long the queue can get (capacity), and a variable service rate describes how fast service occurs, not how many customers exist in the population.

4. Which statement lists the components of inventory carrying cost?

- A. Storage space cost, insurance, and taxes only.
- B. Capital cost and obsolescence only.
- C. Storage space cost, capital cost (opportunity cost of capital), obsolescence, insurance, taxes, handling, and shrinkage.**
- D. Freight and sales commissions.

Holding cost, or carrying cost, are the ongoing expenses tied to keeping inventory on hand. This includes the space and facilities to store stock, the capital tied up in the inventory (the opportunity cost of that money), the risk that items become obsolete, and the costs to insure and tax the inventory. It also covers the costs to handle the items in storage and the potential losses from shrinkage or theft. Freight and sales commissions aren't part of holding costs because freight is a replenishment cost and sales commissions are selling costs, not costs of simply keeping inventory. So the complete set of carrying costs is storage space, capital cost (opportunity cost of capital), obsolescence, insurance, taxes, handling, and shrinkage.

5. What are Free Trade Agreements (FTAs) and how do they affect global sourcing decisions?

- A. A domestic market-only arrangement that does not affect international trade.
- B. Agreements that reduce or eliminate tariffs between member countries; they influence supplier selection, pricing, and lead times.**
- C. They are environmental compliance standards for suppliers.
- D. They are internal procurement policies unrelated to trade.

Free Trade Agreements are agreements between countries that reduce or eliminate tariffs on goods traded among them and lay out rules for how products qualify for those benefits. In global sourcing, that changes the cost picture: duties are a major part of landed cost, so lower or removed tariffs make sourcing from partner countries more competitive. This drives supplier selection toward those within an FTA region to minimize duties and simplify compliance, and it also affects pricing because lower tariffs reduce delivered costs, influencing negotiations and overall sourcing strategy. Lead times can be impacted as well, since to qualify for tariff relief you often need to meet rules of origin and maintain the required documentation, which can shape how you structure sourcing and production. While FTAs don't eliminate all trade barriers or guarantee supply, they are a key factor in total cost and supplier strategy in global sourcing.

6. Reduce, Reuse, Recycle emphasizes which of the following?

- A. Conserving materials and energy, maximizing resource use, and finding new uses for items**
- B. Disposing all waste in landfills
- C. Maximizing production without regard to waste
- D. Recycling only consumer packaging

Reducing, reusing, and recycling focus on conserving materials and energy while getting the most value from resources. The best choice describes conserving materials and energy, maximizing resource use, and finding new uses for items. This aligns with the 3Rs: reduce what you use, reuse items when possible, and recycle materials into new products to keep resources circulating. Disposing all waste in landfills contradicts this goal by wasting materials and energy. Producing more without regard to waste and recycling only packaging are narrower, less sustainable approaches that don't capture the full idea.

7. Which statement about import duties and preferential trade agreements is correct?

- A. Preferential trade agreements have no impact on duties.
- B. Duties are solely determined by supplier preference.
- C. Preferential trade agreements can reduce duties for qualified products under FTAs if criteria are met.**
- D. Duties are always fixed and never vary with origin.

The basic idea is that preferential trade agreements create lower tariffs for goods that originate in member countries. If a product qualifies under the agreement's rules of origin and the necessary documentation is provided, it can enter at a reduced tariff rate or even duty-free, rather than paying the standard tariff that applies to non-originating goods. The criteria often involve where the product was made and how much of it is produced with materials from member countries, sometimes including value-added thresholds or specific tariff classifications. Because of these rules, duties can vary based on the product's origin and whether the exporter meets the criteria. When these conditions are satisfied, the duty reduction under the FTA is achieved, which is why this option is the correct statement. If the product doesn't meet the rules of origin, the standard duties apply.

8. What was the second challenge in implementing C.A.F.E. Practices?

- A. High import tariffs on coffee.
- B. As C.A.F.E. Practices were updated and refined, it became a daunting job to effectively communicate revised requirements to farmers, suppliers, and other members of the industry.**
- C. Difficulties in obtaining financing for farmers.
- D. Lack of quality control procedures.

When a program like C.A.F.E. Practices evolves, getting every part of the supply chain to understand and apply the new requirements becomes a major hurdle. As the practices were updated and refined, communicating the revised requirements to farmers, suppliers, and other industry actors across different regions, languages, and levels of capacity proved especially challenging. It's not enough to publish changes; you must translate them into practical training, adjust auditing and verification processes, and provide ongoing support so everyone knows what to do and how to verify it. Without clear, consistent communication, updated standards can't be implemented effectively, even if the goals are solid. Other issues like tariffs, financing, or quality-control gaps can matter, but the specific difficulty tied to updating standards lies in conveying and enforcing those changes throughout a diverse supply network.

9. Which term describes a map that specifies where every product goes on a retail store shelf?

- A. Prototype Stores
- B. Planogram**
- C. Last Mile
- D. Waiting Line

A planogram is a diagram or map that dictates exactly where each product should be placed on store shelves, including which shelf, facing quantity, and arrangement, to optimize visibility and sales. It ensures consistent presentation across locations and helps with space planning, promotions, and inventory control. The other terms don't fit because prototypes are experimental store formats, the last mile refers to the final delivery to customers, and a waiting line models queues; none specify shelf-level product placement.

10. Why would suppliers have an incentive to remain with Starbucks under C.A.F.E. Practices?

- A. They receive ongoing price subsidies.
- B. They gain preferential access to Starbucks branding opportunities.
- C. They have invested resources to comply with Starbucks programs.
- D. They are guaranteed long-term exclusive contracts.

When a buyer requires suppliers to meet standards like C.A.F.E. Practices, suppliers often invest in farming improvements, certifications, audits, and data tracking to comply. Those investments are sunk costs. By continuing to supply Starbucks, they get the chance to recover those costs through ongoing business and maintain a stable revenue stream. In contrast, leaving would mean losing the opportunity to amortize those investments. The program is about ensuring compliance and quality, not about subsidies, branding access, or exclusive contracts, so the strongest incentive for suppliers is to stay in order to justify and recover what they've invested.

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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://asu-scm300exam2.examzify.com>

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

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