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CLTD

Certified in Logistics, Transportation and Distribution



Version 1.1

Exam A

QUESTION 1

Which of the following shipment modes is the most prone to packaging and product damage?

- A. Air
- B. Truck
- C. Water
- D. Rail

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 2

When importing goods such as fruit and produce into the United States (U.S.), which government agency is responsible for protecting agriculture from harmful pests and diseases?

- A. Food Safety and Inspection Service (FSIS)
- B. Food and Drug Administration (FDA)
- C. U.S. Customs and Border Protection (CBP)
- D. Farm Service Agency (FSA)

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:



QUESTION 3 Under what circumstances should management generally consider utilizing qualitative forecasting techniques?

- A. When real-time data flow is available
- B. When historic data is both clear and relatively stable
- C. When developing strategic-level forecasts
- D. When demand is dependent on bill of material (BOM) calculations

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

QUESTION 4

A carrier's costs are driven by equipment movement rather than shipment weight. Which of the following rates would be most appropriate for the carrier to utilize in charging its customers?

- A. Incentive rates
- B. Any-quantity rates
- C. Freight all kind (FAK) rates
- D. Per-car and per-truckload rates

Correct Answer: C

Section: (none)

Explanation
Explanation/Reference:

QUESTION 5

A customer is looking to purchase product from a company. Which of the following outputs of outbound order management would the customer consider primary?

- A. Order cycle time
- B. Logistics operations responsiveness
- C. Postsale logistics support
- D. Product availability

Correct Answer: B
Section: (none)
Explanation

Explanation/Reference:

QUESTION 6

From a health and safety perspective, which of the following sets of parameters must be taken into account when considering manual material handling?

- A. Task, working environment, equipment, and individual capacity
- B. Task, load, layout, and equipment
- C. Layout, load, working environment, and individual capacity
- D. Task, load, working environment, and individual capacity

Correct Answer: D
Section: (none)
Explanation



Explanation/Reference:

QUESTION 7 Which of the following categories is a weakness of the rail systems?

- A. Safety records
- B. Inflexible infrastructures
- C. Effects of the weather
- D. Routes from city centers

Correct Answer: D
Section: (none)
Explanation

Explanation/Reference:

QUESTION 8 Which of the following statements represents the primary function of inventory?

- A. Make products available while minimizing total carrying cost
- B. Realize economies of scale while minimizing total carrying cost
- C. Reduce ordering cost while minimizing total carrying cost
- D. Buffer against delivery time while minimizing total carrying cost

Correct Answer: D
Section: (none)

Explanation
Explanation/Reference:

QUESTION 9

Which of the following factors would be considered of strategic importance to a firm's logistics function?

- A. A firm operates in a competitive oligopoly
- B. Total cost of production
- C. Production lead time
- D. Order cycle time

Correct Answer: A
Section: (none)
Explanation

Explanation/Reference:

QUESTION 10

Which of the following lean tools would a warehouse team use to document, analyze, and improve the flow of information and materials to customers?

- A. Lean six sigma
- B. Kaizen
- C. Value stream mapping
- D. Five S methodology

Correct Answer: C
Section: (none)
Explanation



Explanation/Reference:

QUESTION 11 Climate-controlled warehouses are typically used:

- A. to assure operators can work in the best conditions.
- B. for storage of food items such as pasta and sugar.
- C. for storage of raw material used in aerospace industry.
- D. for storage of certain agricultural and medical products.

Correct Answer: B
Section: (none)
Explanation

Explanation/Reference:

QUESTION 12 An operations manager is concerned that the order-to-cash cycle for their largest customer is too long. The manager is referring to the time that elapses from when the company receives an order from the customer until the:

- A. customer processes payment.
- B. warehouse is notified to ship the goods.
- C. customer receives that order in inventory.
- D. company receives payment.

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 13 Consignment inventory requires that manufacturers:

- A. deliver their products to the consumer and payment from consumers is based on supply.
- B. stock their products on retail stores shelves and payment from consumers is based on forecast.
- C. deliver their products to the consumer and wait for payment until consumers requires to refill stock level.
- D. stock their products on retail stores shelves and wait for payment until consumers purchase the product.

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 14

A pharmaceutical company makes drugs that control the spread of the influenza virus after outbreaks occur. Deployment to outbreak areas requires a transportation mode that is fast and provides door-to-door connectivity.

Which of the following modes of transportation should the company choose?

- A. Intermodal
- B. Truck
- C. Drone
- D. Air



Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

QUESTION 15 Which of the following inventory ordering techniques would a company's corporate warehouse utilize if it is interested in meeting both the quantity and timing requirements of demand from its regional warehouses?

- A. Distribution requirements planning (DRP)
- B. Fixed order quantity/variable cycle
- C. Periodic review
- D. Kanban

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 16

A company setting up a warehouse wants to maintain a first in, first out (FIFO) stock rotation. Which of the following storage systems should they utilize?

- A. Pallet racking
- B. Block stacking
- C. Flow racking

D. Push-back racking

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 17

A firm offers their customers shorter order cycle times and increased product variety. Generally, this action would have which of the following impacts on total logistics costs?

A. Increases total logistics costs

B. Reduces total logistics costs

C. Has no impact on total logistics costs

D. Only affects service levels, not costs

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 18

A third-party logistics (3PL) provider is seeking to market its value-added warehousing services to international shippers. These services refer to activities such as:

A. selecting the best location in the warehouse for storage and retrieval.

B. total warehousing cost minimization on equipment, maintenance, and labor.

C. customization services like packaging, labeling, kitting, and setting up displays.

D. improving overall quality measured by ad-hoc metrics according to international standards.



Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 19 When determining the optimal logistics terminal location, one of the primary goals is to minimize:

A. peddle time

B. stem miles

C. the number of pick-up locations

D. the size of customer shipments

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 20 In addition to declaring the origin of goods, a certificate of origin is used to determine the:

A. export declaration

B. cost of transportation

C. standard cost

D. applied tariff

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 21 A supply chain manager is revising their organization's supply chain strategy with a greater emphasis on collaborative supply chain relationships.

Which of the following barriers poses the greatest impediment to implementing their new strategy?

- A. Internal operational silos
- B. Vendor language and time zone differences
- C. Transportation carrier's system limitations
- D. Enterprise resource planning (ERP) complexity

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

QUESTION 22 Given the data below, calculate the reorder point (ROP).

Average daily demand = 30 units/day
Lead time = 4 days
Safety stock = 20

- A. 30 units
- B. 8 units
- C. 120 units
- D. 140 units

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 23 According to the Theory of Comparative Advantage, which of the following reasons justifies a country to export a product?

- A. The exporting country produces the product utilizing less labor than other countries.
- B. The exporting country's wage rate in producing the good is lower than in other countries.
- C. The exporting country's productivity is higher in producing the good than the productivity of other countries.
- D. The exporting country's cost of producing the good, relative to other goods, is at least as low as in other countries.

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 24 A non-profit transportation membership cooperative that arranges for the domestic or international shipment of member's cargo over any mode of transportation is known as a(n):

- A. freight bureau.
- B. freight broker association.
- C. shipper's association.
- D. integrated service provider.

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 25

Which of the following statements best reflects the intent of a shipper and a carrier who are negotiating a contract utilizing the integrative bargaining technique?

- A. The shipper is integrating its shipping needs and the carrier is integrating its market power to achieve better contract terms individually.
- B. The shipper and the carrier are attempting to understand each other's needs to create mutually beneficial contract terms.
- C. The shipper and the carrier are making an integrated effort to make extreme demands followed up by small, slow concessions.
- D. The shipper and the carrier are in direct conflict with each other's goals and are attempting to take advantage of each other.

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:



QUESTION 26 In the economic utility function of logistics, logistics adds:

- A. form and time utilities to products, while other activities add place and possession utilities.
- B. possession and place utilities to products, while other activities add form and possession utilities.
- C. place and time utilities to products, while other activities add form and possession utilities.
- D. possession and form utilities to products, while other activities add time and place utilities.

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 27 A corporation is projecting annual sales at \$35 million, cost of goods sold (COGS) at \$25 million, and administrative expenses at \$3 million. In order to meet its corporate inventory turns goal of 5.0, their inventory level must average:

- A. \$4.4 million
- B. \$5 million
- C. \$7 millionD. \$7.6 million.

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 28

Which of the following prerequisites is essential in order to establish an effective order management system?

- A. An ability to reserve inventory and determine a delivery date
- B. An ability to understand customer needs
- C. An ability to plan and build loads
- D. An ability to receive, enter, and validate an orders

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 29

In a retail firm's implementation of vendor-managed inventory (VMI), what trading partners are responsible for setting target inventory levels and making restocking decisions?

- A. Retail consumers and vendors
- B. Retailer and its suppliers
- C. Retailer and its buyers
- D. Retail consumers and retailers

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

QUESTION 30 An organization concentrating its efforts on meeting the internal performance standards related to availability, operational performance, and reliability has focused on which of the following aspects of the customer relationship?

- A. Customer service
- B. Customer satisfaction
- C. Customer loyalty
- D. Customer success

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

QUESTION 31 Selecting a third-party logistics (3PL) or fourth-party logistics (4PL) provider is an example of a(n):

- A. strategic alliance
- B. joint venture
- C. acquisition
- D. internal function

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 32

A carrier receives damaged goods. What actions best describes what the carrier should do so that it is not liable for the damages?

- A. Rewrite the bill of lading (B\L).
- B. Make exception note on B\L from clean to uniform.
- C. Make an exception note on B\L from clean to soiled.
- D. Reject the B\L.

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 33

A company's distribution center receives material from a number of sources and combines them into exact quantities for a specific destination.

Which of the following functions is the distribution center providing?

- A. Cross-docking
- B. Consolidation
- C. Break-bulk
- D. Integration

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:



QUESTION 34 A corporation is redesigning its warehouse and has decided to use a rack system that allows each level to be accessed individually by placing pallets on wheeled frames. The rack system that best meets this criteria is:

- A. flow-through
- B. push-back
- C. drive-in
- D. double-deep

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 35

A trucking company picks up a shipment and takes it to a terminal where it is consolidated with other shipments going to the same city.

This trucking company is most likely a:

- A. truckload (TL) carrier
- B. milk run provider
- C. less-than-truckload (LTL) carrier
- D. private fleet carrier

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 36 An ocean carrier's goal of maximizing total revenue of the entire ship by offering very competitive rates that cover their variable costs and then increasing rates according to what the traffic will bear is referred to as:

- A. any-quantity service rate
- B. value of service rate
- C. limited service rate
- D. incentive rate

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 37

When a company decides not to purchase insurance to cover a risk, it is pursuing what type of risk strategy?

- A. Retention
- B. Transfer
- C. Mixed
- D. Mitigation

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:



QUESTION 38 Which of the following costs are the most intangible and subjective of all the carrying cost elements?

- A. Risk cost
- B. Storage cost
- C. Service cost
- D. Capital cost

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 39 Random stocking can be greatly improved through the use of a(n):

- A. advanced planning system (APS).
- B. inventory management system (IMS)
- C. transportation management system (TMS).
- D. warehouse management system (WMS).

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 40

A manufacturer must consider the long-term effects of its products' impact on the environment. A key product design consideration is:

- A. routing and scheduling
- B. material handling
- C. facility planning
- D. packaging options

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 41 A supply chain manager would like to guard against potential shortage in their company's manufacturing capacity. Which of the following areas of supply chain risk should the manager pay most attention to?

- A. Technical
- B. Demand
- C. Process
- D. Financial

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:



QUESTION 42 Which of the following forms of supply chain risk is considered the most disruptive?

- A. Supply
- B. Process
- C. Finance
- D. Environment

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 43 What is the primary value-added service that a company would receive from using land-bridge services?

- A. Reduced risk
- B. Reduced transit time
- C. Increased reliability
- D. Increased capacity

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 44

A company would like to encourage shippers to partner on sustainability initiatives. Which of the following rates would best meet this objective?

- A. Density
- B. Incentive
- C. Differential
- D. Blanket

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 45

Which of the following measures would a company use in attempting to improve its customer service dimension of dependability?

- A. Order cycle time
- B. Inquiry response time
- C. On-time delivery
- D. Order agility

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

**QUESTION 46**

A logistic team has developed new packaging for their best-selling product that reduces the packaging costs by 60% and the overall package size by 25%. The material can no longer be stacked on pallets and must be shipped and stored in non-stackable, returnable plastic bins.

Which of the following statements bests represents the potential trade-offs of implementing this change?

- A. Higher labor costs, improved customer service, and no change in warehouse costs
- B. Higher labor costs, increase in warehouse costs, and an increase in transportation costs
- C. Improved customer service, increase in warehouse storage costs, and a decrease in transportation costs
- D. Decrease in warehouse costs, increase in transportation costs, and no change in customer service

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 47

A company would like to implement a strategic initiative of enhancing its reverse logistics process. Which of the following statements best describes the profitability impact of such a strategy?

- A. More profits due to higher return rate of customers
- B. More profits due to larger volume of returned products
- C. Less profits due to increase in investment costs
- D. Less profits due to negative impact on brand image

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 48

A developing country would like to improve its trade relations with Europe by updating its port infrastructure. Which international organization would help fund the project?

- A. the bank for International Settlements
- B. The World bank
- C. The Central bank
- D. The International Monetary Fund

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

QUESTION 49 Excluding cost, which of the following sets of criteria describes the primary drivers for transportation mode selection?

- A. Capacity, transit time, reliability, safety, and supply chain security participation
- B. Accessibility, capacity, transit time, reliability, and financial stability
- C. Accessibility, capacity, transit time, reliability, and safety
- D. Capacity, transit time, safety, supply chain security participation, and availability

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:



QUESTION 50

A planning process specifically designed to balance demand and supply within an organization and arrive at a consensus forecast is known as:

- A. advanced planning and scheduling (APS).
- B. collaborative planning, forecasting, and replenishment (CPFR).
- C. sales and operations planning (S&OP).
- D. distribution requirements planning (DRP).

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 51

Which of the following outcomes of warehouse operations is the most critical in designing a warehouse?

- A. Optimizing product flow
- B. Minimizing warehousing cost
- C. Increasing inventory counting
- D. Maximizing automation

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 52

Which of the following terms of payment should an international purchasing manager use to guarantee that the shipment is made and the shipper gets paid for their product?

- A. Letter of credit
- B. Open account
- C. Sight draft
- D. Cash in advance

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 53 A document that serves as a contract, a receipt, and a certificate of title in an international transaction is known as a:

- A. certificate of origin
- B. manifest
- C. packing list
- D. bill of lading (B/L)

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 54 The international commercial document that serves as a quote to obtain a letter of credit or an import license is called a(n):

- A. commercial invoice
- B. pro forma invoice
- C. export license
- D. consular invoice

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 55 A vessel operating under the threat of piracy or hostile military action is protected by the:

- A. United Nations (UN) military forces.
- B. country closest to the vessel at the time of attack.
- C. shipping company registry.
- D. naval forces of the flag of registry.

Correct Answer: D



Section: (none)

Explanation

Explanation/Reference:

QUESTION 56

Item Identification	Stock	Customer A Order Quantity	Customer B Order Quantity	Customer C Order Quantity
339	11	3	6	3
703	9	6	2	5
173	3	5	11	4

A company has prioritized A, B, and C, filling orders in that sequence. What are the impact to customer service levels for customers B and C?

- A. 100% service levels for B and C
- B. Customer B has higher service level
- C. Customer C has higher service level
- D. Customer B and C have the same service level

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

QUESTION 57 Which of the following modes of transportation is characterized as having the highest fixed cost and lowest variable cost?

- A. Air
- B. Water
- C. Rail
- D. Pipeline



Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 58 Procurement professional are focused on the total cost of ownership (TCO) in their vendor selection strategies. This implies that:

- A. procurement is now increasingly charged with pushing back inventory to vendors.
- B. there is increased consideration of trade-offs among purchase price, quality, and vendor capability.
- C. procurement is decreasing its emphasis on the importance of vendor certification and audit programs.
- D. there is increased emphasis on procuring at the lowest purchase price possible.

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 59 Higher throughput operations enable private warehouses to:

- A. spread out variable costs over large output volumes
- B. spread out fixed costs over large output volumes.
- C. allocate total unit costs on the basis of traffic volume.
- D. accomplish better facility utilization with declining overheads.

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 60

Which of the following activities best describes the functionality of decoupling stock within firms' inventory systems?

- A. Separation of the manufacturing process from order processing
- B. Separation of the manufacturing process from the selling process.
- C. Maintaining inventory to accommodate uncertainty in demand at different geographical positions.
- D. Maintaining inventory at a central location for all stages of the value-creation process.

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 61

Compared to a centralized distribution network strategy, an organization using a decentralized distribution network strategy can usually expect:

- A. lower cost of lost sales and higher inventory cost
- B. higher cost of lost sales and higher inventory cost.
- C. lower cost of transportation and lower warehousing cost.
- D. higher cost of transportation and lower warehousing cost.

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 62 A company would like to eliminate unnecessary returns and/or minimize handling. It designs a process to check and screen merchandise at the entry point into the organization. This is an example of:

- A. defect reduction
- B. avoidance
- C. gatekeeping
- D. asset recovery

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 63 The scope of logistics includes transportation:

- A. order processing, inventory carrying costs, and production output.
- B. inventory carrying costs, warehousing, and cost management.
- C. manufacturing, customer accommodation, and purchasing.
- D. inventory carrying costs, order processing, and warehousing.

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

QUESTION 64 The surcharge applied by shipping lines to sea freight to offset adverse variation in fuel cost is called:

- A. repositioning charge
- B. peak season surcharge
- C. currency adjustment factor
- D. bunker adjustment factor

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

QUESTION 65

The allocation of revenues and costs to customer segments or individual customers in order to estimate segment value is known as:

- A. customer relationship management (CRM).
- B. customer profitability analysis.
- C. customer service analysis.
- D. customer standardization analysis.

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 66

A major retailer has informed a product manufacturer that they must take back all of their dunnage. The manufacturer's major decision in implementing reverse logistics will most likely be to:

- A. manage the process internally or outsource to a third party.
- B. take back the dunnage or tell the retailer to destroy it all.
- C. reduce packaging materials to save money but risk more damage.
- D. increase the selling price to the retailer to cover increased costs.

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 67

Which of the following terms refer to the contract leasing of an airplane where only the equipment, maintenance, and insurance are include?

- A. Wet lease
- B. Dry lease
- C. Damp lease
- D. ACMI lease

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 68

A company is considering implementing collaborative planning, forecasting, and replenishment (CPFR). Which of the following statements best reflects one of the objectives of CPFR?

- A. It represents a sequence of business processes between consumers and retailers.
- B. It replaces traditional forecasting methods with a shared single forecast among trading partners.
- C. It represents a sequence of business processes within the manufacturing environment.
- D. It replaces traditional inventory management procedures with a vendor-managed (VMI) system.

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 69

A transportation manager is interested in selecting the optimal mode of transportation based on 3 key criteria: speed, availability, and dependability.

Which of the following modes best meets the criteria?

- A. Truck and rail
- B. truck and air
- C. Air and rail
- D. Air and ocean

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 70 A company is sending a shipment to its customer in Italy. It elects to pay the freight and be responsible for any liability and damage claims. Which of the following free on board (FOB) terms is the company using?

- A. FOB destination, freight collect
- B. FOB destination, freight prepaid
- C. FOB origin, freight prepaid
- D. FOB origin, freight collect

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

QUESTION 71 Which of the following factors would be the greatest challenge for a firm planning to ship goods internationally by truck?

- A. Variable cost of fuel
- B. Unpredictable weather and climate
- C. Variations in road conditions
- D. Complex rules and regulations

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 72 Net advantages gained by the sharing of common locations by similar enterprises is based on which of the following terms?

- A. Agglomeration
- B. Lowest cost
- C. Differentiation
- D. Free market

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 73 Which of the following groups was formed for the purpose of eliminating the trade barriers among its members?

- A. United nations (UN)
- B. European Union (EU)
- C. Organization of Petroleum Exporting Countries (OPEC)
- D. North Atlantic Treaty Organization (NATO)

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

QUESTION 74

A company wishes to ship large quantities via ocean freight, utilizing the entire vessel capacity. The most appropriate contract of carriage to use a:

- A. bill of lading (B/L).
- B. wet lease.
- C. charter party.
- D. letter of credit.

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 75 Which of the following is normally within the logistics function of a manufacturing organization?

- A. Production management
- B. Financial management
- C. Warehouse management
- D. Marketing management

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

QUESTION 76 A logistics manager is developing a supply chain risk management plan incorporating contingency plans for alternatives to transport failures. Which of the following factors best represents this approach?

- A. Avoidance
- B. Acceptance
- C. Mitigation
- D. Redundancy

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 77

A company finds itself constantly expending its customer's retail store deliveries in order to prevent stock-outs. The best solution to this problem is to:

- A. carry additional inventory to satisfy customer's demand.
- B. balance the supply of inventory with the demand.
- C. minimize the inventory risk of product obsolescence.
- D. increase inventory turns to the highest possible value.

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 78

A company receives automobile parts from global manufactures into its distribution center before redeploying the parts to local retail outlets.

Which of the following documents can be used to proactively plan for the redeployment of the parts?

- A. Bill of lading (B\L)
- B. Advance ship notice (ASN)
- C. Routing guide
- D. Shipment manifest

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 79

According to the SCOR model, the five major categories of metrics that should be used to measure the performance of **Process D1: Deliver Stocked Product** include assets, costs, flexibility:

- A. reliability, and responsiveness
- B. capability, and responsiveness
- C. reliability, and capability
- D. reliability, and availability

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 80

A company has a line haul cost between Point A and Point B of \$5 per mile. The distance between the two points is 750 miles.

What is the cost per hundredweight (cwt) for a shipment weighing 45,000 pounds?

- A. \$0.12
- B. \$5.00
- C. \$8.33
- D. \$9.00

Correct Answer: C

Section: (none)

Explanation



Explanation/Reference:

QUESTION 81 Which of the following rules specifies whether the importer is responsible for insuring cargo?

- A. World Trade Organization (WTO) rule
- B. Lloyds of London rule
- C. Incoterms ® rule
- D. Shipper's rule

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 82 A restriction that can be classified as a non-tariff barrier would be a(n):

- A. registration license.
- B. import quota.
- C. cargo preference.
- D. manufacturing location.

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

QUESTION 83 An organization wanting to improve the management of resources and exceptions across the supply chain should focus on enhancing:

- A. supply chain visibility.
- B. simultaneous consideration of resources.
- C. resource utilization.
- D. overall asset utilization.

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 84

When a logistics manager assigns workers to receive, store, and move goods into and out of warehouse, they are managing which of the following activities?

- A. Physical distribution
- B. Materials handling
- C. Production management
- D. Inventory management

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 85 Which of the following order characteristics would make increased levels of inventory necessary?

- A. Speed
- B. Variability
- C. Cost
- D. Delivery

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 86

Which of the following outcomes is a potential advantage of operating an efficient reverse logistics process?

- A. Provides competitive differentiation
- B. Enables visibility throughout the supply chain
- C. Improves the product life cycle
- D. Reduces transportation costs



Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 87

The key factors in modal determination when comparing the trade-off between cost and service include:

- A. distance and load size.
- B. carrier capacity and distance.
- C. distance and carrier rates.
- D. carrier rates and load size.

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 88 Which of the following statements best describes the primary objective of most warehouses?

- A. Provide additional storage to excess inventory and avoid its disposal
- B. Ensure that inventory levels are in accordance with the company's financial target
- C. Accurately reflect the company's working capital status
- D. Facilitate the movement of goods through the supply chain to the end consumer

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 89

A carrier takes three weeks to deliver a product which has average sales of 1,000 units per week. The unit cost is \$20 each and the carrying cost is 15%. What is the savings in the transportation inventory cost if management decides to change the mode of transportation to decrease time to one week?

- A. \$2,000
- B. \$3,000
- C. \$6,000
- D. \$9,000

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 90 Which of the following methods is used for facility location selection based on the location of markets, the volume of goods shipped, and shipping costs?

- A. Factor rating
- B. Center-of-gravity
- C. Break-even analysis

D. Least cost

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 91

A logistics service provider has an average on-time delivery of 30%, and average correct documentation of 30%. Which of the following values represents the probability that the next delivery would be on-time, damage free, and with correct documentation?

A. 0%

B. 3%

C. 30%

D. 90%

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 92 An organization encourages proactive internal design efforts and collaboration with supply chain partners in order to consume less raw materials. This business practice reflects which of the following dimensions of sustainability?

A. Education

B. Ethics

C. Economics

D. Environmental



Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 93 A company that ships self-propelled cargo and prefers not to utilize specialized lifting equipment should consider which of the following types of shipping vessels?

A. Handysize

B. Roll-on/roll-off (RORO)

C. Suez-Max

D. Trot-on/trot-off (TOTO)

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 94 If a firm is concerned with high duty rates, on which of the following criteria should it focus?

A. Type of goods imported and their value B.

Type of goods imported and their cost

- C. Type of goods exported and their value
- D. Type of goods exported and their cost

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 95

Major retailers place pressure on a manufacturer of liquid laundry products made with water to reduce the amount of water content by half. While the result will bring savings in almost every area, where should the manufactures focus this green initiative improvement effort?

- A. Material handling
- B. Packaging
- C. Transportation mode selection
- D. Product design

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 96 While designing a logistics network, which of the following actions does a manager need to complete in order to identify the key logistics goals and perform benchmark analysis?

- A. Define process steps
- B. Conduct a supply chain audit
- C. Examine network alternatives
- D. Complete a facility location study



Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 97

A company that distributes spare parts for the automobile industry must consider duty rates when deciding where to sell its products. Duty rates are heavily influenced by:

- A. the country of destination to which goods are exported.
- B. the country of origin from which goods are imported.
- C. the invoice value of imported goods.
- D. the invoice value of exported goods.

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 98

A logistics manager has received a lot of customer complaints concerning damaged products. This represents which of the following customer service dimensions?

- A. Time
- B. Dependability
- C. Communication
- D. Convenience

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 99 What may be the cause if the value of inventory is greater than the value of the net working capital?

- A. Receivables are too high.
- B. Cost of goods sold (COGS) is too high.
- C. Inventory is too high.
- D. High level of obsolescence.

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 100 Which of the following components represents the best opportunity to improve the effectiveness of an order cycle?

- A. Order transmittal
- B. Order processing
- C. Order picking
- D. Order delivery

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 101 Which of the following strategies would a logistics manager most likely choose in order to reduce transportation cost?

- A. Outsourcing
- B. Consolidating shipments
- C. Engaging in a third-party logistics (3PL) partnership
- D. Relying on multiple shipments

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 102

To prevent the importing of certain luxury good so that a country can use its hard currency on essential goods, governments can refuse to issue a(n):

- A. general average.
- B. specific license.
- C. explicit license.
- D. import license.

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 103

A trucking company purchased a tractor-trailer for \$150,000 to support its short-haul business. The tractor-trailer will be in service for 5 years before it will be sold at \$55,000.

With annual fuel costs estimated at \$12,000, what is the annual depreciation for the vehicle?

- A. \$7,000
- B. \$11,000C. \$19,000
- D. \$30,000

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 104 Which Incoterm ® applies only to ocean transportation where the exporter is responsible to bring the goods to the port?

- A. Ex works (EXW)
- B. Free alongside ship (FAS)
- C. Free on board (FOB)
- D. Delivered at place (DAP)

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

QUESTION 105

A company that utilizes barges as a major mode of transportation would typically navigate in:

- A. global maritime routes
- B. land bridges
- C. inland waterways
- D. intermodal transportation

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 106

What facility location method has the advantage of analyzing both quantitative data and hard-to-evaluate criteria?

- A. Center-of-gravity
- B. Factor rating
- C. Location and break-even analysis
- D. Least-cost-per-lane

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

QUESTION 107

A company currently has a significantly long lead time in determining the disposition of returned products. Which of the following non-procedural areas should the company look into as it performs a root cause analysis?

- A. Financial department to see if the sales personnel are reluctant to charge the returns to sales
- B. Quality department to see if the process for determining disposition is inefficient
- C. Customer service department to see if they are taking a long time to address customer concerns
- D. Material handling department to see if it is taking excessive time to handle defective product

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 108

A company wants to minimize tariff costs while avoiding the need to file for duty drawback. Which of the following practices would best achieve this objective?

- A. Adopt Customs Trade Partnership Against Terrorism (C-TPAT) rules
- B. Use foreign/free trade zones (FTZs)
- C. Use an international third-party logistics (3PL) provider
- D. Ship by free on board (FOB) terms

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 109 Which of the following parties play an integral role during the transportation process?

- A. Carriers, shippers, consignees, and financial institutions
- B. Carriers, consignees, freight brokers, and financial institutions
- C. general public, carriers, warehouses, and shippers
- D. Government, general public, shippers, and consignees

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 110

When defining the business requirements of a new distribution center, one of the first requirements to be considered is the:

- A. type of construction material needed.
- B. customer service levels to be met.
- C. calculation of the planned staffing levels.
- D. development of the material handling equipment lists.

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 111

In an effort to increase their customer service levels and reduce order cycle time, a company is considering adding two additional warehouses to their overall operations.

As a result, which of the following statements best reflects the cost impact of the additional warehouses?

- A. Lower inventory costs and higher facility costs
- B. Higher inventory costs and lower facility costs
- C. Higher inventory costs and higher inbound transportation costs
- D. Lower inventory costs and lower inbound transportation costs

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 112 An oil and gas company needs to ship petrol 1,000 miles from the port on entry to an inland refinery. Which of the following modes of transportation provides the best long-term, cost-efficient solution?

- A. Rail
- B. Trucking
- C. Pipeline
- D. Barge

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 113

Which of the following types benchmarking would a company utilize in order to determine why a significant gap exists in its order fill rates?

- A. Performance benchmarking
- B. Process benchmarking
- C. Product benchmarking
- D. Strategic benchmarking

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

QUESTION 114 Which of the following facility location techniques is equivalent to a break-even point?

- A. Weighted-factor rating method
- B. transportation problem model
- C. Cost volume analysis
- D. Center-of-gravity method

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 115

A manager would like to insure marine cargo for a 12-month period. Which of the following policies would be best to provide coverage for all of the shipment during this period?

- A. Open
- B. Special cargo
- C. All-risks
- D. Warehouse to warehouse

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:



QUESTION 116

An international organization has a pricing strategy that allows it to sell its product at different prices depending on the country where the product is sold.

Which of the following unintended consequences is a result of this strategy?

- A. Counterfeit products in the supply chain
- B. Gray market products in the supply chain
- C. Hostile takeover by a conglomerate
- D. Decrease in profits due to variable revenues

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 117 Which of the following costs represents an example of a fixed cost in the motor carrier industry?

- A. Vehicle registration
- B. Fuel
- C. Maintenance
- D. Terminals

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 118 A company desires to improve its cash flow situation by postponing its customs duties payment until the last possible point in the supply chain.

The company should consider using which type of warehouse?

- A. Bonded
- B. Contract
- C. Third-party
- D. Government

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 119 The practice of carriers charging all of their customers more during the peak harvest season is a type of pricing known as:

- A. differential rates.
- B. incremental rates.
- C. distributive rates.
- D. commodity rates.

Correct Answer: D

Section: (none)

Explanation



Explanation/Reference:

QUESTION 120 In warehouse operations, picking process occurs when:

- A. customer orders for product are ready to be shipped or to replenish a forward case or unit pick area.
- B. immediately after a product is stored in a designated location in order to be shipped to the customer.
- C. a Kanban signal arrives to replenish material in the workshop.
- D. when a customer order needs to be replaced by a new product due to engineering changes.

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 121 In building a daily route schedule, which of the following factors provides the greatest challenge for a transportation manager?

- A. Random demand
- B. Fixed traffic patterns
- C. Data cleanup
- D. Customer base

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 122 The primary role of the World Trade Organization (WTO) is to:

- A. establish an international system of payment.
- B. stabilize international currency exchange rates.
- C. enforce free trade on a global basis.
- D. create global free trade agreements.

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 123 In addition to order placement and order processing, which of the following steps are part of the order management process?

- A. Order preparation and loading and order picking
- B. Order preparation and loading and order delivery
- C. Order transit time and order returns
- D. Order transit time and customer receiving

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

QUESTION 124 Which of the following items undermines the attempts to simplify transportation pricing?

- A. rate-basis numbers
- B. Class rate
- C. Commodity rate
- D. Incentive rate

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 125 When looking at an organization's logistics system, which of the following expenses is the single largest variable cost?

- A. Inventory carrying costs
- B. transportation costs
- C. Warehouse operations costs
- D. Supply management costs

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 126 Which of the following inventory cost elements is the most difficult to quantify?

- A. Unit cost
- B. Cost of reordering
- C. Carrying cost
- D. Shortage cost

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 127 Which of the following statements best describes the relationship between order cycle time and inventory?

- A. The shorter the order cycle length, the more inventory is required to be held
- B. The shorter the order cycle length, the less inventory is required to be held
- C. The longer the order cycle length, the less inventory is required to be held
- D. The changes made to the order cycle has little/no impact on inventory levels



Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 128 As a means to protect domestic industries, which of the following requirements is an example of a non-trade barrier?

- A. Requesting a mandatory consular invoice
- B. Utilizing Convention on International Sale of Goods (CISG)
- C. Mandating compliance with triple bottom line (TBL)
- D. Demanding process efficiency

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 129 Which of the following situations best describes when duty drawbacks can be granted?

- A. A manufacturer minimally transforms imports, making products that are then exported.
- B. A distributor resells imported products.
- C. All of the raw materials are imported, a product is created, and then sold domestically.
- D. An exported product has significant domestic content.

Correct Answer: A
Section: (none)
Explanation

Explanation/Reference:

QUESTION 130 Triple bottom line (TBL) refers to balancing the following impacts:

- A. economic, social, and environmental.
- B. environmental, ecological, and ethical.
- C. social, environmental, and regulatory.
- D. financial, economic, and social.

Correct Answer: A
Section: (none)
Explanation

Explanation/Reference:

QUESTION 131 The primary factor that reduces the need for companies to improve transportation sustainability is:

- A. decreased time to implement regulations.
- B. reduced packaging dimensions.
- C. lower fuel prices.
- D. more efficient tractors.



Correct Answer: A
Section: (none)
Explanation

Explanation/Reference:

QUESTION 132

A logistics company operates 10 distribution centers in China totaling 20 million square meters of floor space. Based on the typical utilization factors, how many total square meters are devoted to storage?

- A. 5 million
- B. 10 millionC. 15 million
- D. 20 million

Correct Answer: A
Section: (none)
Explanation

Explanation/Reference:

QUESTION 133 A transit privilege permits a shipper to:

- A. enter a foreign/free trade zone (FTZ) to perform transportation services.
- B. avoid paying tariffs to local authorities.
- C. temporarily stop a shipment to physically transform products.
- D. stop at any port of call without prior notification.

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 134

Which of the following port-related issues constitutes the greatest challenge when considering the use of post-panamax container ships?

- A. Number of ships available
- B. Available workforce
- C. Railway connections
- D. Bridge clearance

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 135

One characteristic that could make it challenging for foreign company to penetrate the United States (U.S.) market is that the U.S. often has:

- A. refused to cooperate on sustainability initiatives.
- B. adopted multiple standards that are state specific.
- C. eliminated all foreign/free trade zones (FTZs) outside of sea ports.
- D. followed Customs Trade Partnership Against Terrorism (C-TPAT) rules.

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 136

An American company that ships bulk product manufactures in Asia and sold in Europe may consider which of the following intermodal practices to help minimize total transportation costs?

- A. Rail bridge
- B. Last mile delivery
- C. Landway
- D. Land bridge

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 137 Which of the following ships are specifically designed to carry ISO shipping containers?

- A. Break-bulk freighter
- B. Roll-on/roll-off (RORO) vessel
- C. Dry-bulk freighter
- D. Cellular vessel

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 138 A logistics manager is asked to perform a total cost analysis for the organization. Which of the following trade-offs is critical to consider?

- A. Inventory carrying costs vs. production costs
- B. Distribution costs vs. order processing costs
- C. Transportation costs vs. inventory carrying costs
- D. landed costs vs. production costs

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 139 A company calculating shipping volume in unit load device containers is focusing on which mode of transportation?

- A. Trucking
- B. Ocean shipping
- C. Air freight
- D. Barges

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 140

A warehouse manager is performing an ABC segmentation of the products in the warehouse. Based on the three items shown below, what is the correct warehouse segmentation for these items from the warehouse manager's perspective?

Product	Units sold per month	# Orders per month
X	10,000 units	10
Y	1,000 units	40
Z	5,000 units	200

- A. A = Product X, B = Product Z, C = Product Y
- B. A = Product Y, B = Product Z, C = Product X
- C. A = Product Z, B = Product Y, C = Product X
- D. A = Product Z, B = Product X, C = Product Y

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 141

A motor carrier is in a dispute with a customer over who is responsible for unloading for unloading goods at the customer's location.

Which of the following documents would be used to resolve the dispute?

- A. Freight bill
- B. Bill of lading (B/L)
- C. Routing guide
- D. Domestic terms of sale

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 142 Which of the following sets of elements are the major components of inventory carrying cost?

- A. Capital, storage space, inventory service, transportation
- B. Storage space, inventory service, inventory risk, transportation
- C. Capital, storage space, inventory service, inventory risk
- D. Capital, storage space, inventory service, distribution

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:



QUESTION 143

Which of the following terms refers to an integrated approach of simultaneously selling to consumers through multiple distribution channels?

- A. Omni-channel
- B. Multi-channel
- C. Business-to-consumer (B2C)
- D. E-commerce

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

QUESTION 144

Airfreight companies often use dimensional (dim) weight to cost out shipments because of which of the following attributes of the product?

- A. Density
- B. Height
- C. Weight
- D. Value

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 145 Which of the following supply chain risk management maturity model attributes provides visibility to impending disruptions and enables the establishment of effective, preventive, and mitigation plans?

- A. Visibility
- B. Predictability
- C. resiliency
- D. Sustainability

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 146

A logistics manager seeks total integration of components that are essential to achieve stated objectives. Which of the following frameworks would be best to implement?

- A. System concepts and analysis
- B. Total cost of ownership (TCO)
- C. Lean six sigma concepts
- D. Network inventory cost minimization

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:



QUESTION 147 The task that best describes the value proposition offered by freight forwarders is that they:

- A. act as agents for domestic firms in international markets, primarily obtaining orders for their clients' products.
- B. export goods and services and locates overseas buyers on their clients' behalf.
- C. consolidate shipments from various customers and offer lower transportation rates.
- D. operate under power of attorney from the shipper to pay all import duties and are ultimately liable for unpaid duties.

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 148 Stockout frequency refers to:

- A. the probability that a firm will not have inventory available to meet customer orders.
- B. a single event where a firm will not have inventory available to meet customer orders.
- C. the cost of sales that a firm will have when insufficient inventory is available to meet customer orders.
- D. the percentage of days in which inventory necessary to meet customer orders is missing.

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 149 Which of the following modes of transportation is typically associated with detention charges?

- A. Rail
- B. Water
- C. Pipeline
- D. Truck

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

QUESTION 150 Which of the following theories is illustrated in the list below?

Stage 1: A new product is created to fill a domestic need and produced locally.

Stage 3: The newly created product is offered to international customers.

Stage 4: International customers develop expertise and offer the product at a lower cost to the original country.

- A. International product life cycle theory
- B. Porter's cluster theory
- C. Sheffi's logistics cluster theory
- D. Theory of Comparative Advantage



Correct Answer: A

Section: (none)

Explanation

Explanation/Reference: