

Exam Code: A6

Exam Name: Analysing the Supply Market

Vendor: CIPs

Version: DEMO

Part: A

1: International Advanced Award Certificate in Purchasing and Supply

Analysing the Supply Market

Unit A6

DURATION: 3 hours

Instructions for Candidates:

This examination is in THREE sections.

Section A

Has TEN compulsory multiple-choice questions, worth 2 marks each.

Section B

Has SIX compulsory short-answer questions, worth 5 marks each.

Section C

Has THREE compulsory longer-answer questions. Questions 17 and 18 are worth 15 marks each.

Question 19 is worth 20 marks.

Correct Answers:

2: SECTION A

Questions 1-10 are multiple choice questions. For each question, select ONE correct answer from A to D and write it in your answer booklet. You are advised to spend approximately 30 minutes on this section.

Correct Answers:

3: Q1 In economic theory, which of the following statements best describes what is available and what is wanted? (2 marks)

A. Time and motion

B. Supply and demand

C. Research and development

D. Input and output

Correct Answers: B

4: Q2 Which of the following relationships best describes a small change in demand as a result of a large change in price? (2 marks)

A. Inelastic

B. Explicit

C. Implicit

D. Elastic

Correct Answers: A

5: Q3 Which of the following best describes the pricing policy known as 'promotional pricing'? (2 marks)

A. A high price aimed at quick recovery of costs

B. A price in line with that being charged by competitors

C. A temporary price reduction to increase sales in the short term

D.A low price set to gain a large share of the market.

Correct Answers: C

6: Q4 Which of the following is the most likely consequence of government decreasing interest rates? (2 marks)

A.People spend more

B.People spend less

C.The economy slows down

D.The cost of borrowing goes up

Correct Answers: A

7: Q5 Which of the following best defines the economic term 'budget surplus'?(2 marks)

A.Government expenditure equalling government revenue

B.Government revenues creating government expenditure

C.Government expenditure exceeding government revenue

D.Government revenue exceeding government expenditure

Correct Answers: D

8: Q6 Which of the following best describes the '4Ps' of marketin (2 marks)

A.Promotion, Performance, Price, Place

B.Product, Price, Promotion, Place

C.Price, Placement, Product, Place

D.Performance, Product, Planning, Production

Correct Answers: B

9: Q7 Which of the following describes people leaving one job and moving to another?(2 marks)

A.Structural unemployment

B.Frictional unemployment

C.Migrational unemployment

D.Cyclical unemployment

Correct Answers: D

10: Q8 Which of the following best defines the term 'monetary policy'? (2 marks)

A.The control of taxation

B.The control over the amount of money in circulation and the cost of borrowing

C.The control of numbers of people unemployed compared to those employed

D.The control of wealth distribution

Correct Answers: B