

# APICS CPIM-DSP Exam

Volume: 258 Questions

Question No: 1

What capacity is established by averaging the actual output produced in standard hours in previous periods?

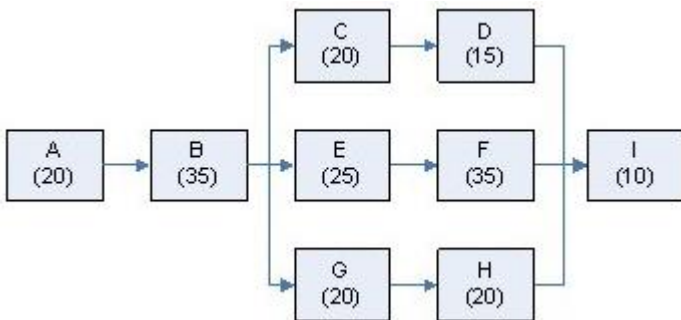
- A. Rated Capacity
- B. Demonstrated Capacity
- C. Logical Capacity
- D. Theoretical Capacity

Answer: B

Explanation: Demonstrated capacity is established by averaging the actual output produced in standard hours in previous periods.

Question No: 2

How many days of slack is there in the path A->B->C->D->I using the below network diagram?



- A. 95 days
- B. 25 days
- C. 30 days
- D. 0 days

Answer: B

Explanation: Slack is defined as the amount of days extra it has before it causes a disruption to the critical path. To calculate slack equals critical path - (your path)=125-100

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There are 25 days of slack in the A->B->C->D->I Path

Question No: 3

Which of the following are lot sizing methods?

- I. Fixed Order Quantity
- II. Kanban Quantity
- III. Agreed Order Quantity
- IV. Time Period Ordering

- A. I & IV Only
- B. I, II, & III Only
- C. I, III, & IV Only
- D. I, II, & IV Only

Answer: C

Explanation: The three types of lot sizing methods are

- 1. Fixed Order Quantity
  - 2. Agreed Order Quantity
  - 3. Time Period Ordering
- Kanban is not a lot sizing METHOD.

Question No: 4

What is a tool that links customer desires through product design to manufacturing performance and process variables?

- A. Quality Function deployment (QFD)
- B. p chart
- C. Poka Yoke
- D. Control Plan

Answer: A

Explanation: Quality Function Deployment is a tool that links customer desires through product design to manufacturing performance and process variables?

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Question No: 5

Which of the following is counted during periodic physical inventory?

- I. Raw Material
- II. Sub Assemblies
- III. Finished Goods
- IV. Material Received Not in Stock

A. I, II & III Only

B. III Only

C. I, II, III, & IV

D. III & IV Only

Answer: C

Explanation: Periodic physical inventory counts the following items

1. Raw Materials
2. Purchase Parts
3. Sub-assemblies
4. Work in progress
5. Floor stock
6. Finished goods
7. Finished Goods
8. Material at sub-contractors
9. Material received not in stock

Question No: 6

In order to have a Kaizan event you must have

- I. Small multi - disciplined team
- II. Team trained in problem solving
- III. Upper Management on the team

A. II & III Only

B. I & III Only

C. I & II Only

D. I, II, & III

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Answer: C

Explanation: Kaizan must have a small multi-disciplined group that is trained in problem solving. An upper manager is not required for a Kaizan event.

Question No: 7

Using the following table, calculate the Mean Absolute Deviation (MAD)

Period	Forecast	Actual
1	1000	800
2	1300	1000
3	1300	1200
4	1400	1500
5	1400	1500
6	1500	1500
7	1600	1500
8	1600	1700
9	2000	1800
10	2000	2200
<b>TOTAL</b>	<b>15,100</b>	<b>14,700</b>

- A. 40
- B. 1400
- C. 140
- D. 400

Answer: C

Explanation: In order to calculate MAD you must sum the deviations ignoring the sign and divide it by the number of periods sum of absolute deviations/ number of periods  $1,400/10=140$

Question No: 8

Stock that production workers can draw from without requisitions is called what?

- A. Quarantined Stock
- B. Floor Stock
- C. Critical Stock

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D. Free Stock

Answer: B

Explanation: Floor stock is defined as stock of inexpensive production parts held in the factory, from which production workers can draw without requisitions

Question No: 9

A "order to be released" would be what type of MRP Message?

A. Action Message

B. Order Message

C. Manufacturing message

D. Exception Message

Answer: A

Explanation: MRP has two types of messages Action and Exception messages. An "Order to be released" message would be considered an action message. Manufacturing and order messages are not MRP messages.

Question No: 10

Inventory that has no known forecast requirement is called

A. Perishable Inventory

B. Inactive Inventory

C. Excess Inventory

D. Obsolete inventory

Answer: D

Explanation: Obsolete inventory is for which there is no known forecast requirement

Question No: 11

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Chris's TV factory has \$25,000,000 of stock in the warehouse, and average monthly sales of \$35,000,000. What are the days of supply for Chris's TV factory assuming an average 30 days in a month?

- A. 21.4
- B. 42
- C. 1.4
- D. 0.71

Answer: A

Explanation: Days of Supply = Inventory value/ Average daily cost of sales  
Average daily cost of sales equals weekly daily cost of sales / 30= $25000000/(35000000/30)=21.4$  days of supply

Question No: 12

A gross requirement is defined as

- A. total of independent demand
- B. total of independent and dependent demands
- C. total of dependent demand minus on-hand inventory
- D. total of independent demand and dependent demand minus on hand inventory and scheduled receipts

Answer: B

Explanation: A gross requirement is the total of independent and dependent demands

Question No: 13

Which of the following are MRP Pre-requisites?

- I. Bill of Materials
- II. Inventory Records
- III. RCCP
- IV. Master Production Schedule

- A. II, III, & IV Only
- B. I, II, & IV Only

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C. I, II, III, & IV

D. I, II, & III Only

Answer: B

Explanation: MRP Pre-requisites include

1. Bill of Material
2. Inventory Records
3. Master Production Schedule
4. A computer would help with all the calculations. While it is not required, it is very important to run all of the MRP calculations.

Question No: 14

In a work cell environment, capacity is planned at what level?

A. MRP

B. MPS

C. Production Plan

D. Machine

Answer: B

Explanation: If utilizing a work cell environment then capacity is planned at the MPS level. There is no queue time in front of each machine because of the cellular layout.

Question No: 15

What is the primary tool to control/ monitor real capacity

A. RCCP

B. Resource Requirements Planning

C. CRP

D. Input/Output Control

Answer: D

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Explanation: Input Output Control is the primary tool to control capacity. It does not PLAN capacity like the other tools, Input output control actually is a tool to control the execution of capacity.

Question No: 16

When completing a project, all are some typical financial savings EXCEPT?

- A. Inventory reduction
- B. Increase in software costs
- C. Customer Service Improvement
- D. Increase in Productivity

Answer: B

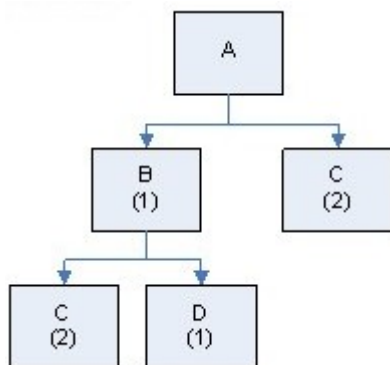
Explanation: Typical financial savings would include

1. Inventory reduction
2. Customer Service Improvement
3. Increase in Productivity
4. Reduction in Cost of Material

Increase in software costs would not be a benefit, it would be a cost

Question No: 17

What parts are the parent parts in this diagram?



- A. A&B
- B. A, B, & C Only
- C. A Only
- D. C& D Only



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Answer: A

Explanation: Part A is the Parent for B, C, & D Materials

Part B is Parent to C& D Materials

Parts C & D are not parent parts because they have no materials below them

Question No: 18

The Pancake Store presents the following facts pertaining to the cost of one product carried in its merchandise inventory:

Beginning inventory on hand, 200 units @ \$15 = \$3,000

Purchase June 1, 200 units @\$16 = \$3,200

Purchase July 5, 200 units @ \$20 = \$4,000

Purchase August 25, 200 units @ \$25 = \$5,000

A new order comes in for 500 units. What is the cost of goods sold that should be recorded for that new order using the LIFO accounting method?

- A. \$4,600
- B. \$9,200
- C. \$9,500
- D. \$10,600

Answer: D

Explanation: To pull the cost of goods sold from an order using the LIFO methodology you would need to count the cost of the LAST 500 materials costs= $200 \times 25 + 200 \times 20 + 100 \times 16 = \$10,600$

Question No: 19

When goods are received, sorted and then loaded onto an outgoing vehicle without ever going to stock is called what?

- A. Point of Use Delivery
- B. Lean Trigger
- C. Third Party Logistics
- D. Cross Docking

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Answer: D

Explanation: When goods are received, sorted and then loaded onto an outgoing vehicle without ever going to stock is called cross docking

Question No: 20

What models would be used for simulation and modeling techniques in the Operations management Planning area?

- I. Rough Cut Capacity Planning
- II. Capacity requirements Planning
- III. Input Output Control

- A. I, II, & III
- B. II & III Only
- C. I & III Only
- D. I & II Only

Answer: D

Explanation: Under Operations management planning, the following simulation and modeling techniques are used

- 1. Rough Cut Capacity planning
- 2. Capacity Requirements Planning and input Output Control is not under Operation management planning, but is under operations management execution.

Question No: 21

Which of the following are partnerships at the product level?

- I. Strategic Alliance
- II. Technical Partnering
- III. Commercial Partnering
- IV. Operational Partnering

- A. II & III Only
- B. II & IV Only
- C. I & III Only