

Free L4M3 Sample & L4M3 Exam Questions Fee



CIPS Level 4 – Diploma in Procurement and Supply

Commercial Contracting [L4M3]

Sample Exam Questions (Objective Response)

The correct answer will be listed below each question

L4M3 Sample Questions V5 Sept 2020

P.S. Free 2026 CIPS L4M3 dumps are available on Google Drive shared by DumpsMaterials: <https://drive.google.com/open?id=1LYbuHTduCKVy25AZe8CofuqyQp48x7hC>

Confronting a tie-up during your review of the exam? Feeling anxious and confused to choose the perfect L4M3 latest dumps to pass it smoothly? We understand your situation of susceptibility about the exam, and our L4M3 test guide can offer timely help on your issues right here right now. Without tawdry points of knowledge to remember, our experts systematize all knowledge for your reference. You can download our free demos and get to know synoptic outline before buying. Just hold the supposition that you may fail the exam even by the help of our L4M3 Study Tool, we can give full refund back or switch other versions for you to relieve you of any kind of losses. What is more, we offer supplementary content like updates for one year after your purchase.

CIPS L4M3 exam, also known as the CIPS Commercial Contracting exam, is a crucial certification for procurement professionals who want to excel in commercial contracting. L4M3 exam is designed to test the candidate's knowledge and understanding of the entire contracting process, from identifying the need for a contract to managing the post-contractual relationship. L4M3 exam assesses the candidate's ability to develop, negotiate, and manage commercial contracts effectively.

CIPS L4M3 Exam is divided into three parts. The first part focuses on the principles of commercial contracting. This includes understanding the different types of contracts, the legal and regulatory framework for contracts, and the key elements of a contract. Candidates will also learn about the different methods of contract pricing and the various types of contracts used in procurement.

>> Free L4M3 Sample <<

L4M3 Exam Questions Fee, Test L4M3 Score Report

Our L4M3 exam questions have always been the authority of the area, known among the exam candidates for their high quality and accuracy. According to data collected by our workers who questioned former exam candidates, the passing rate of our L4M3 training engine is between 98 to 100 percent! It is nearly perfect. So it is undeniable that our L4M3 practice materials are useful and effective.

The CIPS L4M3 Exam is suitable for procurement and supply chain professionals who are involved in commercial contracting activities in any industry or sector. It is particularly relevant for those who work in procurement or commercial roles, including contract managers, procurement officers, buyers, and supply chain managers.

CIPS Commercial Contracting Sample Questions (Q134-Q139):

NEW QUESTION # 134

A large company supplies a lot of products. Their shipments are often delayed and customers are not satisfied. Which of the following KPIs is most likely to be applied to this situation?

- A. Delay damages
- B. Consignment stock availability
- **C. OTIF delivery**
- D. Technical support

Answer: C

Explanation:

If the deliveries often delay, buyer should use KPI to measure how many missed deliveries there are and the percentage of total missed deliveries on total number of deliveries for period. OTIF (one-time in-full) delivery might help.

Consignment stock availability means that the supplier holds adequate range/number of units of stock to offer a reliable service Delay damages are the consequences caused by delay of deliveries Technical support is the acceptable quality of technical information/support provided by supplier for goods supplied.

LO 2, AC 2.2

NEW QUESTION # 135

A tire manufacturer entered into a contract with a distributor. In the contract, the distributor is prohibited from selling the tire under the price list. The distributor must pay \$5 for each tire sold in breach. The amount of \$5 is known as...?

- A. Penalty
- B. Caveat Emptor
- C. Quantum meruit
- **D. Liquidated damages**

Answer: D

Explanation:

This scenario is in fact based on a famous case law: Dunlop Pneumatic Tyre Company v New Garage & Motor co [1915] AC 79.

In this case law, the House of Lords identified the clause as liquidated damages, and therefore enforceable.

However, if this case had happened in 2015 or afterwards, there would be some legal issues:

- The price agreement is prohibited by Competition Act 1998

- If the agreement is allowed by Competition Act, as in the case Cavendish Square Holding BV (Appellant) v Talal El Makedssi (Respondent), the clause can also be identified as a penalty and it is still enforceable.

Reference:

LO 3, AC 3.2

NEW QUESTION # 136

Maximum Score: 1

Which of the following are examples of a lack of 'capacity' to enter into a contract?

- * A contracting party has a severe mental disorder
- * A contracting party has failed to concentrate during negotiations
- * A contracting party is 19 years of age
- * A contracting party (corporation) has acting 'ultra vires' (beyond its defined legal powers)

- A. 2 and 4 only
- **B. 1 and 4 only**
- C. 1 and 2 only
- D. 2 and 3 only

Answer: B

Explanation:

Capacity to contract relates to legal and mental ability:

* Severe mental disorder (1) can mean no true understanding of the contract # lack of capacity.

* A corporation acting ultra vires (4) (beyond its legal powers) is considered to lack capacity in that transaction.

Failing to concentrate (2) is carelessness, not incapacity. Being 19 years old (3) is over the usual age of majority (18), so there is capacity.

Correct combination: 1 and 4 only.

Reference: CIPS L4M3 Commercial Contracting - Elements of a valid contract: capacity, legality, consent.

NEW QUESTION # 137

A procurement professional is drafting payment terms for a commercial contract. He is considering about payment method if defective products are found. Which of the following should be embedded in payment terms to control this issue?

- A. Remedies for late payment
- B. Pay-less notice
- C. Invoice preparation
- **D. Retention clause**

Answer: D

Explanation:

Retention money is the payment for a service or product that is withheld pending the completion of some specified condition. For example, buyer may withhold the amount due until the supplier replace all defective goods.

Pay-less notice is the notice under a contract which states that the invoice will only be partially paid because of some issues such as supplier has to pay the damages.

Remedies for late payment are remedies that supplier may seek when a buyer pay it later than the stated payment terms. Normally, the buyer will be charged an interest rate.

Reference: CIPS study guide page 190-191

LO 3, AC 3.3

NEW QUESTION # 138

Which of the following is the international standard for labelling hazardous substances?

- A. GPS
- B. CODEX STAN 1-1985
- C. HSE
- **D. GHS**

Answer: D

Explanation:

GHS stands for the Globally Harmonized System of Classification and Labelling of Chemicals. GHS defines and classifies the hazards of chemical products, and communicates health and safety information on labels and safety data sheets). The goal is that the same set of rules for classifying hazards, and the same format and content for labels and safety data sheets (SDS) will be adopted and used around the world. An international team of hazard communication experts developed GHS.

The Global Positioning System (GPS), originally NAVSTAR GPS, is a satellite-based radionavigation system owned by the United States government and operated by the United States Space Force. It is one of the global navigation satellite systems (GNSS) that provides geolocation and time information to a GPS receiver anywhere on or near the Earth where there is an unobstructed line of sight to four or more GPS satellites.

Obstacles such as mountains and buildings block the relatively weak GPS signals.

CODEX STAN 1-1985 is general standard for the labelling of packaged goods.

Environment (E), health (H) and safety (S) (together EHS) is a discipline and speciality that studies and implements practical aspects

