

Three Versions Of Updated CIPS L4M3 Exam Dumps

CIPS L4M3 LO1 UPDATED ACTUAL Exam Questions and CORRECT Answers

what is an estimate? - CORRECT ANSWER - a supplier best guess at what the price will be; it has no legal standing

what is a tender? - CORRECT ANSWER - a bid obtained via a formal process

what is a quotation? - CORRECT ANSWER - sometimes called a quote, this is a firm price offer obtained via a formal or informal process; normally it only relates to price on the basis of indicated quality

what is a framework agreement? - CORRECT ANSWER - a formal agreement between two organisations that is intended to become legally binding in the event that a contract is created

what situations should you use a quotation? - CORRECT ANSWER - low value, low risk purchases
- the spec and delivery times are fixed
- suppliers are pre-qualified
- a framework or dynamic purchasing system has locked down the contract terms and price is the only variable

what situations should you use a tender? - CORRECT ANSWER - complex projects
- high-value or high-risk purchases
- projects where quality and price need to be assessed
- access to unknown suppliers is required, and there is no need to either pre-qualify them or to assess their suitability as part of a single-stage open tender process

what is bribery? - CORRECT ANSWER - the promise, offer or giving of financial advantage to someone in the expectation that they will improperly perform their functions, or to reward them for having done so; also accepting such a promise, offer or advantage

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It is universally accepted that the exam is a tough nut to crack for the majority of candidates, but the related L4M3 certification is of great significance for workers in this field so that many workers have to meet the challenge. Fortunately, you need not to worry about this sort of question any more, since you can find the best solution in this website--our L4M3 Training Materials. With our continued investment in technology, people and facilities, the future of our company has never looked so bright. There are so many advantages of our L4M3 practice test and I would like to give you a brief introduction now.

CIPS Commercial Contracting exam covers a range of topics, including contract law, contract drafting, contract management, and dispute resolution. Candidates will learn how to identify and manage contractual risks, negotiate contracts, and monitor supplier performance. L4M3 Exam also covers the use of frameworks, such as NEC and JCT, and the role of technology in contract management.

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CIPS Commercial Contracting Certification Exam is designed to assess the knowledge and skills required to effectively manage commercial contracts. CIPS Commercial Contracting certification is particularly relevant for those individuals who work in procurement, supply chain management, or contract management roles. L4M3 Exam is offered by the Chartered Institute of Procurement and Supply (CIPS), which is a globally recognized professional body for procurement and supply chain professionals.

CIPS Commercial Contracting Sample Questions (Q152-Q157):

NEW QUESTION # 152

Bandpro is a reseller of branded computer products to the private and public sector. The procurement team must purchase 500 items each day solely by multiple phone calls and emails to suppliers. Due to this practice, it takes a lot of time to track and collect relevant documents. Some important documents even get lost, which makes procurement audit more burdensome. Which of the following would increase the robustness of audit trails in procurement activities?

- A. Adopt e-procurement
- B. Spend less time on auditing procurement procedures
- C. Every evidence must be recorded by paper
- D. Rectify non-compliant activities

Answer: A

Explanation:

Audit trail is a chronological record the sequence of events connected to a given transaction, such as a purchase of raw materials, payroll disbursements, or a detailed financial statement. The record includes all the source documents connected to the transaction, providing context and clarity in the event a review is required.

The more comprehensive the documentation, the more effective the audit trail is when used to create financial reports, verify information, and ensure compliance while eliminating fraud.

In the scenario, the procurement team gets the quotation from phone calls and emails which have weak audit trails and lack of transparency. One solution may be increasing the use of e-procurement system.

Reference:

- What is an audit trail?
- CIPS study guide page 6-7

LO 1, AC 1.1

NEW QUESTION # 153

Which of the following will be always automatically deemed as a consideration?

- A. Past consideration
- B. Promise given to a third party
- C. Promise to perform over and above an existing obligation
- D. Implied consideration

Answer: C

Explanation:

Consideration only appears in common law countries. Below are some examples of what is and what is not consideration:

- Past consideration is something that has already been done or given. This cannot act as consideration
- Implied consideration: if the detail of a promise to pay is expressed after the provision of goods or services, but there is an implication that such promise would be forthcoming, this may (depending on the facts) be valid consideration.
- A promise given to a third party: this is not normally consideration, and is based on a concept known as privity of contract. Anyone who is not a party to the contract, even if they are beneficiary of it, cannot sue if the terms of the contract are breached.
- A promise to perform over and above an existing obligation: This is always consideration Reference:
- Consideration & Promissory Estoppel
- CIPS study guide page 36-40

LO 1, AC 1.2

NEW QUESTION # 154

Which of the following are always considered as minimum preconditions for a contract? Select TWO that apply:

- A. Intention to be bound

- B. Omission
- C. Specification
- D. Promise
- E. Consideration

Answer: A,E

Explanation:

In order to form a contract to come into being, there are five conditions:

- Offer
- Acceptance
- Consideration
- Intention to be legally bound
- Capacity to contract

Reference:

LO 1, AC 1.2

NEW QUESTION # 155

Which of the following is used to detail the complex matter that may be verbiage to the main document?

- A. Schedule
- B. Contract variation
- C. Subcontracting
- D. Standard terms and conditions

Answer: A

Explanation:

Without further explanation, a schedule may be deemed to form an integral part of the obligations of either or both parties.

Obviously, the scope or binding nature of such schedule depends on the way it is referred to in the obligatory language of the main agreement. Accordingly, merely attaching the general terms and conditions of sale without explaining to which part of the sale they apply or which provisions apply does not subject a sale pursuant to the body text of the agreement to those general terms and conditions.

Subcontracting is the practice of assigning, or outsourcing, part of the obligations and tasks under a contract to another party known as a subcontractor.

Reference:

- Schedules, annexes and exhibits
- CIPS study guide page 22-26

LO 1, AC 1.1

NEW QUESTION # 156

Parkers Medical Supplies is a distributor of first aid supplies to supermarkets nationwide. A new supplier has approached Parkers with an offer to supply a new and innovative product. Parkers have never dealt with this company before, so are looking to ensure that the new supplier has the necessary insurance cover as the new product could potentially cause personal injury. Which type of insurance should Parkers insist the new supplier takes out?

- A. Product liability
- B. Professional indemnity
- C. Employers' liability
- D. Public liability

Answer: A

Explanation:

Comprehensive and Detailed Explanation From Exact Extract:

In the context of commercial contracting, it's crucial for buyers to ensure that suppliers have appropriate insurance coverage to mitigate potential risks associated with the products or services provided. Product liability insurance specifically covers the supplier against claims of personal injury or property damage caused by products they have supplied. This type of insurance is essential when introducing new or innovative products to the market, as there may be unforeseen risks associated with their use.

According to the CIPS L4M3 Commercial Contracting Study Guide, product liability insurance is designed to protect against claims arising from injuries or damages caused by defective products. This insurance is particularly important when the buyer is introducing a new product from a supplier with whom they have no prior experience, as it provides a safety net against potential legal and financial repercussions.

Reference CIPS L4M3 Commercial Contracting Study Guide, Chapter 3, Section 3.2.1 - Key terms in contracts for indemnities and liabilities, sub-contracting, insurances, guarantees, and liquidated damages.

NEW QUESTION # 157

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