PRACTICE EXAM 8 SIMULATION

1. Which term refers to giving a customer full attention, confirming what was heard, and resisting jumping to a solution?

A. Active listening

B. Cold calling

C. Cycle counting

D. Supersession

2. A "closed-ended question" is best defined as one that:

A. Can only be asked in writing

B. Invites a long, detailed description

C. Is reserved for wholesale accounts

D. Confirms a specific detail with a narrow answer

3. The term "lost sale" refers to:

A. A sale recorded twice in error

B. A request the operation could not fill from stock

C. A part returned by a customer

D. A refunded core deposit

4. "De-escalation" in customer service refers to:

A. Lowering a customer's emotional temperature before solving the problem

B. Raising prices on backordered parts

C. Ending a call as quickly as possible

D. Transferring the customer to another department

5. The practice of "reflecting" a request means the specialist:

A. Quotes the lowest available price

B. Restates the request in their own words to confirm it

C. Refuses the order until a VIN is given

D. Records the sale before the customer leaves

6. A "special order" is best defined as a part that is:

A. Always cheaper than a stocked part

B. Sold only to retail customers

C. Returned to the supplier for credit

D. Not in stock and ordered specifically for a customer

7. "Follow-up" in the context of a special order means:

A. Charging an additional fee on arrival

B. Canceling the order automatically

C. Notifying the customer when the part arrives

D. Reselling the part to a walk-in

8. A "feature" of a part is defined as:

A. The refundable deposit on a reman unit

B. The customer advantage it delivers

C. The discount applied to clear stock

D. An objective characteristic of the part

9. A "benefit" of a part is defined as:

A. The part's manufacturer number

B. The shelf location of the part

C. The chemical composition of the part

D. The customer advantage the feature delivers

10. A "core charge" is defined as:

A. A non-refundable remanufacturing fee

B. A refundable deposit on the rebuildable unit

C. A government excise tax

D. A penalty for buying a reman part

11. A "remanufactured part" is defined as a used unit that has been:

A. Rebuilt to a defined performance specification

B. Painted and resold without inspection

C. Discarded as obsolete stock

D. Returned under warranty only

12. "OES" parts are defined as components that are:

A. Salvaged from scrapped vehicles

B. The cheapest economy aftermarket grade

C. Made by the OE supplier under its own brand

D. Identical to OE in brand and price

13. "Upselling," properly defined, means:

A. Adding unrelated items to inflate the total

B. Refusing to present any alternative

C. Helping a customer choose a higher-value option that suits their situation

D. Selling below cost to clear stock

14. "Related-item selling" is defined as:

A. Suggesting the companion parts a job genuinely requires

B. Pushing the most expensive part regardless of need

C. Selling only the single part requested

D. Returning excess stock to the supplier

15. A customer's "vehicle profile" refers to:

A. The truck's resale value estimate

B. The dealership's credit terms

C. The truck's paint and trim codes

D. The set of facts that determine which parts fit the truck

16. "Anticipating customer needs" is defined as:

A. Refusing add-ons to keep the sale simple

B. Recording only completed sales

C. Foreseeing related needs from the vehicle profile and application

D. Charging a deposit on every order

17. A "foundation brake" is defined as:

A. The braking hardware at each wheel used by all three brake functions

B. The compressor that supplies system air

C. The dash valve that applies the parking brake

D. The electronic ABS control unit

18. "Compounding" in an air brake system is defined as:

A. Air traveling slowly to the rear chambers

B. Cooling the compressed intake air

C. Applying the service and spring brakes simultaneously

D. Filtering moisture from the air supply

19. "Brake lag" is defined as:

A. The wear of the brake lining over time

B. The loss of braking from overheating

C. The selection of the higher of two air sources

D. The delay before the rear brakes engage after the pedal is pressed

20. A "spring brake chamber" is defined as a chamber that:

A. Converts air pressure into hydraulic fluid

B. Uses spring force to apply the parking and emergency brakes

C. Powers the ABS electronic module

D. Cools airflow to the brake drum

21. A "relay valve" is defined as a valve that:

A. Controls the compressor's cut-in and cut-out pressures

B. Protects the tractor air if the trailer separates

C. Selects the higher of two air sources

D. Speeds rear brake application by supplying the rear chambers on signal

22. An "S-cam" is defined as:

A. The lever that takes up lining wear

B. The diaphragm inside the brake chamber

C. The cam that rotates to spread the brake shoes against the drum

D. The valve that exhausts the front chambers

23. A "slack adjuster" is defined as the component that:

A. Stores compressed air for emergency braking

B. Detects each wheel's rotational speed

C. Multiplies pushrod force and takes up lining wear

D. Regulates the alternator's output

24. "Cold Cranking Amps (CCA)" is defined as:

A. The current a battery delivers at low temperature to start the engine

B. The minutes a battery can run accessories with no charging

C. The battery's physical case dimensions

D. The alternator's maximum output rating

25. An "alternator" is defined as the component that:

A. Cranks the engine using stored battery power

B. Stores electrical energy for starting

C. Switches a large load with a small current

D. Generates electrical power to recharge the battery and run loads

26. A "relay" (electrical) is defined as a device that:

A. Sacrifices itself to interrupt an overcurrent

B. Stores energy for engine starting

C. Rectifies AC into DC

D. Lets a small control current switch a larger load

27. A "fuse" is defined as a device that:

A. Switches a high-current load with a low current

B. Sacrifices itself to interrupt an overcurrent and protect the circuit

C. Generates power while the engine runs

D. Stores compressed air for the brakes

28. A "starter solenoid" is defined as the device that:

A. Regulates the charging system voltage

B. Cools the intake air for combustion

C. Engages the drive into the ring gear and closes the high-current circuit

D. Filters moisture from the air system

29. Wire "gauge" refers to:

A. A measure of the wire's current-carrying capacity

B. The wire's insulation color

C. The truck's model year code

D. The wire's resistance to corrosion only

30. A "fusible link" is defined as:

A. A resettable overcurrent device for high-draw circuits

B. A switch operated by a small control current

C. A heavy-gauge protective link in a main circuit

D. A sensor that reads wheel speed

31. A "clutch" is defined as the component that:

A. Splits torque between two drive axles

B. Allows the driveshaft to change length

C. Connects and disconnects the engine from the transmission

D. Sets the final drive ratio

32. A "torque converter" is defined as:

A. A friction plate that clamps against the flywheel

B. A fluid coupling that transmits power in an automatic transmission

C. A splined joint that changes driveshaft length

D. A gear that meshes with the starter

33. A "universal joint" is defined as a coupling that:

A. Sets the axle gear ratio

B. Stores compressed air for braking

C. Allows the driveshaft to transmit power through an angle

D. Connects the steer wheels to each other

34. A "synchronizer" is defined as a mechanism that:

A. Splits torque between the drive axles

B. Cools the transmission fluid

C. Matches gear and shaft speed for smooth shifting

D. Applies the parking brake automatically

35. An "automated manual transmission (AMT)" is defined as:

A. A transmission using a torque converter and planetary gears

B. A manual gearbox with electronic actuators and no clutch pedal

C. A gearbox with no internal gears

D. A continuously variable belt transmission

36. An "inter-axle differential (power divider)" is defined as the device that:

A. Splits torque between the two drive axles on a tandem

B. Connects the engine to the transmission

C. Maintains the truck's ride height

D. Regulates the compressor pressure

37. The "axle gear ratio" is defined as:

A. The battery's cold-weather starting power

B. The driveshaft turns required per wheel revolution

C. The percentage of demand filled from stock

D. The wire's current-carrying capacity

38. A "slip joint (slip yoke)" is defined as the component that:

A. Spreads the brake shoes against the drum

B. Generates electrical power for the charging system

C. Detects wheel rotation for ABS

D. Allows the driveshaft to change length as the suspension moves

39. A "leaf spring suspension" is defined as one using:

A. Inflatable rubber bellows fed by the air system

B. Stacks of curved steel strips that flex under load

C. A pivoting beam spanning two axles

D. Hydraulic struts at each wheel

40. A "height control (leveling) valve" is defined as the valve that:

A. Splits torque between the drive axles

B. Maintains ride height by adding or releasing air

C. Multiplies the brake pushrod force

D. Regulates the alternator output

41. A "walking-beam suspension" is defined as one that:

A. Uses a pivoting beam to distribute load over rough terrain

B. Relies solely on inflatable air springs

C. Uses MacPherson struts at the steer axle

D. Has no axle-locating components at all

42. A "kingpin" is defined as:

A. The lever that takes up brake lining wear

B. The bolt that clamps the leaf spring to the axle

C. The splined joint that changes driveshaft length

D. The pivot pin connecting the steering knuckle to the I-beam axle

43. A "tie rod" is defined as the linkage component that:

A. Connects the steering gear to the pitman arm

B. Generates hydraulic boost for steering

C. Stores air for the brake chambers

D. Connects the two steer wheels so they turn together

44. "Toe" is defined as:

A. The forward or backward tilt of the steering axis

B. The inward or outward tilt of the wheel viewed from the front

C. The difference in distance between the front and rear of a wheel pair, viewed from above

D. The height of the chassis above the axle

45. A "pitman arm" is defined as the component that:

A. Connects the two steer wheels to each other

B. Bolts to the steering gear's output shaft and converts rotation into linkage motion

C. Maintains the truck's ride height

D. Supports the wheel and houses the bearings

46. A "bushing" in suspension and steering is defined as:

A. A device that generates electrical power

B. A valve that stores compressed air

C. A cushioned pivot/locating component that wears with flexing

D. A filter for incoming cab air

47. A "recirculating-ball steering gear" is defined as:

A. A device that splits torque between drive axles

B. A chamber that applies the parking brake

C. A valve that maintains ride height

D. The gear that converts steering-shaft rotation into linkage motion with power assist

48. A "blend door" is defined as the HVAC door that:

A. Moves air through the system using a fan

B. Controls how much air passes through the heater core, setting temperature

C. Absorbs heat from the cab air

D. Stores refrigerant and removes moisture

49. A "receiver-drier (accumulator)" is defined as the component that:

A. Compresses the refrigerant gas

B. Releases heat at the front of the truck

C. Cools and dehumidifies the cab air

D. Stores refrigerant and removes moisture from the A/C system

50. A "torque converter" is to an automatic transmission as a "compressor" is to:

A. The air-conditioning system

B. The brake air system

C. The charging system

D. The steering system

51. "R-134a" is best defined as:

A. The original refrigerant phased out for ozone depletion

B. The newest low-global-warming-potential refrigerant

C. The long-standing replacement for R-12 across the fleet

D. A urea-based emissions fluid

52. A "heater core" is defined as the component that:

A. Cools and dehumidifies the cab air

B. Warms cab air using engine coolant

C. Compresses the refrigerant

D. Stores refrigerant and removes moisture

53. "Compression ignition" is defined as ignition that occurs:

A. From a spark fired by an ignition coil

B. From the heat of highly compressed air in the cylinder

C. From a continuously energized glow plug

D. From an electric arc off the alternator

54. An "inframe overhaul kit" is defined as a package to:

A. Rebuild the engine in the chassis with liners, pistons, rings, bearings, and gaskets

B. Replace the complete exhaust aftertreatment system

C. Service the cab HVAC system

D. Reline the foundation brakes

55. A "common-rail" fuel system is defined as one in which:

A. A spark plug ignites the injected fuel

B. Fuel is gravity-fed from the tank to the cylinders

C. Each cylinder has its own mechanical pump only

D. A shared high-pressure rail feeds electronically controlled injectors

56. A "turbocharger" is defined as a device that:

A. Stores electrical energy for the starter

B. Circulates coolant through the engine

C. Reduces the engine's compression ratio

D. Uses exhaust energy to force more air into the cylinders

57. A "charge-air cooler (intercooler)" is defined as the component that:

A. Cools the compressed intake air to raise its density

B. Filters soot from the exhaust stream

C. Stores DEF for the SCR system

D. Lubricates the turbocharger bearing

58. "Diesel Exhaust Fluid (DEF)" is defined as:

A. A urea-based fluid injected into the exhaust to reduce NOx

B. The engine's lubricating oil

C. The hydraulic fluid for power steering

D. The refrigerant in the A/C system

59. A "diesel particulate filter (DPF)" is defined as the component that:

A. Recirculates exhaust into the intake

B. Traps soot and periodically regenerates by burning it off

C. Uses DEF to convert NOx into nitrogen and water

D. Oxidizes pollutants in the exhaust stream

60. The "EGR system" is defined as the system that:

A. Recirculates exhaust to lower combustion temperature and NOx

B. Traps and burns off soot

C. Injects DEF to reduce NOx

D. Compresses intake air using exhaust energy

61. A "water pump" is defined as the component that:

A. Circulates oil through the lubrication system

B. Pumps fuel from the tank to the injectors

C. Circulates coolant through the engine and radiator

D. Pressurizes power steering fluid

62. "Selective Catalytic Reduction (SCR)" is defined as the system that:

A. Uses DEF to convert NOx into nitrogen and water

B. Traps soot and burns it off

C. Recirculates exhaust to the intake

D. Compresses intake air for combustion

63. A "fuel filter / water separator" is defined as the component that:

A. Filters incoming cab air

B. Removes contaminants and water to protect injection components

C. Cools the compressed intake air

D. Lubricates the turbocharger

64. "FIFO" is defined as the valuation method in which:

A. The oldest costs flow to cost of goods sold, newest stay in inventory

B. The newest costs flow to cost of goods sold, oldest stay in inventory

C. All units are valued at a weighted average

D. Each unit is tracked by its specific cost only

65. The "reorder point" is defined as:

A. The order size that minimizes total inventory cost

B. The percentage of demand filled from stock

C. The stock level that triggers a replenishment order

D. The gap between recorded and actual inventory

66. "Economic Order Quantity (EOQ)" is defined as the order size that:

A. Always matches the supplier's maximum shipment

B. Eliminates the need for safety stock

C. Guarantees a 100% fill rate

D. Minimizes the combined ordering and holding costs

67. A "perpetual inventory system" is defined as one that:

A. Counts inventory only once per year

B. Tracks only parts above a set value

C. Updates records only when a dispute arises

D. Updates stock records continuously with each receipt and sale

68. "Fill rate" is defined as the percentage of:

A. Parts returned by customers as defective

B. Demand satisfied immediately from stock on hand

C. Suppliers delivering orders late

D. Inventory lost to theft annually

69. "Shrinkage" is defined as:

A. The gap between recorded and actual inventory from loss or error

B. The natural decline in a part's selling price

C. The physical contraction of a part from heat

D. The discount offered to fleet customers

70. "Obsolete inventory" is defined as stock that:

A. Sells faster than it can be reordered

B. Has little or no prospect of sale

C. Is always returned to the supplier for full credit

D. Carries a refundable core deposit

Answer Key & Explanations

1. A — Active listening. Active listening is giving full attention, confirming what was heard, and resisting jumping to a solution. It is the foundation of accurate part identification.

2. D — Confirms a specific detail with a narrow answer. A closed-ended question drives toward a single specific answer, unlike an open-ended one that invites description. It is used to narrow toward one part.

3. B — A request the operation could not fill from stock. A lost sale is demand the operation failed to meet from stock, recorded to inform stocking. It is neither a double entry nor a return.

4. A — Lowering a customer's emotional temperature before solving the problem. De-escalation lowers the emotional temperature so the problem can be solved. It precedes, rather than replaces, the solution.

5. B — Restates the request in their own words to confirm it. Reflecting means restating the request to confirm understanding and catch errors. It is a core accuracy habit.

6. D — Not in stock and ordered specifically for a customer. A special order is a part not in stock, ordered specifically for a customer. It is not defined by price or customer type.

7. C — Notifying the customer when the part arrives. Follow-up on a special order means notifying the customer promptly when it arrives. It is the defined post-order duty.

8. D — An objective characteristic of the part. A feature is a factual attribute of the part, distinct from the benefit it delivers. Selling translates features into benefits.

9. D — The customer advantage the feature delivers. A benefit is the customer advantage a feature produces. It is what customers actually buy.

10. B — A refundable deposit on the rebuildable unit. The core charge is a refundable deposit securing the return of the rebuildable core. It is not a fee or tax.

11. A — Rebuilt to a defined performance specification. A remanufactured part is a used unit restored to a defined performance standard through disassembly, inspection, and rebuilding. It differs from a simple repair.

12. C — Made by the OE supplier under its own brand. OES parts come from the OE supplier branded by the supplier, offering OE-level quality at lower cost. They are neither salvage nor economy grade.

13. C — Helping a customer choose a higher-value option that suits their situation. Upselling guides a customer to a higher-value option that genuinely suits their use. Pushing an unneeded grade would be overselling.

14. A — Suggesting the companion parts a job genuinely requires. Related-item selling anticipates the companion parts a job actually needs. It serves the customer by completing the repair.

15. D — The set of facts that determine which parts fit the truck. The vehicle profile is the set of facts — year, make, VIN, engine, transmission, axle, application — that determine which parts fit. It is the basis of an accurate sale.

16. C — Foreseeing related needs from the vehicle profile and application. Anticipating needs means using the profile and application to foresee related requirements. It is service, not pressure.

17. A — The braking hardware at each wheel used by all three brake functions. A foundation brake is the wheel-end hardware that the service, parking, and emergency functions all act through. It is distinct from the air-supply and control components.

18. C — Applying the service and spring brakes simultaneously. Compounding is the simultaneous application of the service and spring brakes, which can damage components. Anti-compounding features prevent it.

19. D — The delay before the rear brakes engage after the pedal is pressed. Brake lag is the delay before the rear brakes engage, caused by air traveling the vehicle's length. Relay valves minimize it.

20. B — Uses spring force to apply the parking and emergency brakes. A spring brake chamber applies the parking and emergency brakes with spring force, released by air. It is the fail-safe element.

21. D — Speeds rear brake application by supplying the rear chambers on signal. A relay valve supplies the rear chambers locally on signal to cut brake lag. The other functions belong to different valves.

22. C — The cam that rotates to spread the brake shoes against the drum. The S-cam rotates to spread the shoes against the drum. The slack adjuster and chamber are separate components.

23. C — Multiplies pushrod force and takes up lining wear. The slack adjuster multiplies the chamber pushrod force and takes up lining wear via the S-camshaft. It does not store air or read speed.

24. A — The current a battery delivers at low temperature to start the engine. CCA is the current a battery delivers at low temperature to start the engine. Reserve capacity and group size measure other attributes.

25. D — Generates electrical power to recharge the battery and run loads. The alternator generates power to recharge the battery and run loads while the engine runs. The starter consumes power; the battery stores it.

26. D — Lets a small control current switch a larger load. A relay is an electromagnetic switch letting a small current control a larger load. A fuse, by contrast, sacrifices itself on overcurrent.

27. B — Sacrifices itself to interrupt an overcurrent and protect the circuit. A fuse blows to interrupt an overcurrent, protecting the circuit. A relay switches loads but does not sacrifice itself.

28. C — Engages the drive into the ring gear and closes the high-current circuit. The starter solenoid pushes the drive into the ring gear and closes the heavy-current path simultaneously. It performs both at once.

29. A — A measure of the wire's current-carrying capacity. Wire gauge indicates current-carrying capacity, so heavier loads need heavier gauge. Color and model year do not define it.

30. C — A heavy-gauge protective link in a main circuit. A fusible link is a heavy-gauge protective link in a main circuit. It differs from a resettable breaker and a relay.

31. C — Connects and disconnects the engine from the transmission. The clutch connects and disconnects the engine from the transmission. A torque converter fills this role in an automatic.

32. B — A fluid coupling that transmits power in an automatic transmission. The torque converter is a fluid coupling transmitting and multiplying power in an automatic. It replaces the friction clutch.

33. C — Allows the driveshaft to transmit power through an angle. A universal joint allows the driveshaft to transmit power through an angle. The slip joint handles length instead.

34. C — Matches gear and shaft speed for smooth shifting. A synchronizer matches gear and shaft speeds for smooth shifting; many heavy manuals lack them. It is a transmission, not a brake or axle, part.

35. B — A manual gearbox with electronic actuators and no clutch pedal. An AMT is a manual gearbox with automated actuators and no clutch pedal, retaining a friction clutch. It is not a torque-converter automatic.

36. A — Splits torque between the two drive axles on a tandem. The inter-axle differential splits torque between a tandem's two drive axles. It exists only on dual-drive configurations.

37. B — The driveshaft turns required per wheel revolution. The axle gear ratio is the driveshaft turns per wheel revolution, set by the ring-and-pinion. It reflects torque versus economy.

38. D — Allows the driveshaft to change length as the suspension moves. The slip joint lets the driveshaft change length as the suspension moves. U-joints handle angle instead.

39. B — Stacks of curved steel strips that flex under load. A leaf spring suspension uses stacks of curved steel strips that flex under load. Air and walking-beam designs use other elements.

40. B — Maintains ride height by adding or releasing air. The leveling valve maintains ride height by adding or releasing air as load changes. It does not split torque or adjust brakes.

41. A — Uses a pivoting beam to distribute load over rough terrain. A walking-beam suspension uses a pivoting beam to distribute load over rough terrain. It is a severe vocational design.

42. D — The pivot pin connecting the steering knuckle to the I-beam axle. The kingpin is the pivot pin connecting the steering knuckle to the I-beam axle. Worn kingpins cause steering looseness.

43. D — Connects the two steer wheels so they turn together. The tie rod connects the two steer wheels so they turn together. The drag link, by contrast, connects the gear to the wheel.

44. C — The difference in distance between the front and rear of a wheel pair, viewed from above. Toe is the difference in distance between the front and rear of a wheel pair viewed from above. Incorrect toe causes rapid uneven tire wear.

45. B — Bolts to the steering gear's output shaft and converts rotation into linkage motion. The pitman arm bolts to the gear's output shaft and converts rotation into linkage motion. The drag link then carries it to the wheel.

46. C — A cushioned pivot/locating component that wears with flexing. A bushing is a cushioned pivot and locating component that wears from constant flexing. Worn bushings cause looseness and noise.

47. D — The gear that converts steering-shaft rotation into linkage motion with power assist. A recirculating-ball steering gear converts steering-shaft rotation into linkage motion with hydraulic assist. It is the heavy-truck steering box.

48. B — Controls how much air passes through the heater core, setting temperature. The blend door controls how much air passes through the heater core, setting discharge temperature. The mode door directs airflow instead.

49. D — Stores refrigerant and removes moisture from the A/C system. The receiver-drier stores refrigerant and removes moisture with desiccant. It is replaced whenever the system is opened.

50. A — The air-conditioning system. The compressor is to the A/C system what the torque converter is to an automatic — its driving/pumping core. The A/C compressor pumps refrigerant.

51. C — The long-standing replacement for R-12 across the fleet. R-134a was the long-standing replacement for R-12 across the truck fleet. R-1234yf is the newer successor.

52. B — Warms cab air using engine coolant. The heater core warms cab air using engine coolant. The evaporator cools; the compressor and drier are A/C components.

53. B — From the heat of highly compressed air in the cylinder. Compression ignition occurs from the heat of highly compressed air, with no spark. It is the diesel principle.

54. A — Rebuild the engine in the chassis with liners, pistons, rings, bearings, and gaskets. An inframe kit rebuilds the engine in the chassis with liners, pistons, rings, bearings, and gaskets. Aftertreatment and HVAC kits are separate.

55. D — A shared high-pressure rail feeds electronically controlled injectors. Common-rail uses a shared high-pressure rail feeding electronically controlled injectors. It enables precise, multiple injection events.

56. D — Uses exhaust energy to force more air into the cylinders. A turbocharger uses exhaust energy to force more air into the cylinders for more power. It does not store energy or lower compression.

57. A — Cools the compressed intake air to raise its density. The charge-air cooler cools the compressed intake air, raising its density for better combustion. It does not filter exhaust or store DEF.

58. A — A urea-based fluid injected into the exhaust to reduce NOx. DEF is a urea-based fluid injected into the exhaust by the SCR to reduce NOx. It is a continuously consumed fluid.

59. B — Traps soot and periodically regenerates by burning it off. The DPF traps soot and periodically regenerates by burning it off. The SCR and DOC perform different roles.

60. A — Recirculates exhaust to lower combustion temperature and NOx. EGR recirculates exhaust to lower combustion temperature and the NOx formed. It works with the DPF and SCR.

61. C — Circulates coolant through the engine and radiator. The water pump circulates coolant through the engine and radiator. The oil and fuel pumps move different fluids.

62. A — Uses DEF to convert NOx into nitrogen and water. SCR uses DEF to convert NOx into harmless nitrogen and water. The DPF traps soot instead.

63. B — Removes contaminants and water to protect injection components. The fuel filter/water separator removes contaminants and water that would destroy injectors. It protects the high-pressure injection system.

64. A — The oldest costs flow to cost of goods sold, newest stay in inventory. Under FIFO the oldest costs flow to cost of goods sold and the newest remain in inventory. The name states what is sold first.

65. C — The stock level that triggers a replenishment order. The reorder point is the stock level that triggers replenishment, covering lead-time demand plus safety stock. EOQ sets how much, not when.

66. D — Minimizes the combined ordering and holding costs. EOQ is the order size that minimizes total ordering plus holding cost. It does not maximize quantity or eliminate safety stock.

67. D — Updates stock records continuously with each receipt and sale. A perpetual system updates records continuously with each transaction. A periodic system updates only at intervals.

68. B — Demand satisfied immediately from stock on hand. Fill rate is the percentage of demand met immediately from stock. A falling rate signals stockouts and lost sales.

69. A — The gap between recorded and actual inventory from loss or error. Shrinkage is the difference between recorded and actual stock from theft, damage, or error. Cycle counts reveal it.

70. B — Has little or no prospect of sale. Obsolete inventory has little or no prospect of sale, tying up capital and shelf space. It often must be written down.