

ASSESSMENT QUESTIONS

Chapter 3: Global Sourcing Production and Costing

True or False

Identify whether the following statements are true or false and circle the correct answer.

- T F 1. The abbreviation of PLM stands for Product Lifestyle Management.
- T F 2. The FOB price includes all duties, taxes and freight fees.
- T F 3. Duties are taxes and fees imposed on goods produced outside of the home country and imported into the home country.
- T F 4. Freight forwarding fees are added within your First Cost.
- T F 5. Many fashion apparel brands have moved their production overseas to countries such as Sri Lanka, China, and Vietnam in order to achieve lower costs and reduce their retail pricing.

Multiple Choice

Select the best response.

- 1. Sourcing agents collect fees for overseeing:
 - a. Sourcing production with factories
 - b. Procuring materials and communicating
 - c. Quality assessment and troubleshoot any crises
 - d. All of the above
- 2. In order to calculate LDP, you must add _____ to your FOB:
 - a. labor costs
 - b. trim costs
 - c. miscellaneous costs
 - d. notion costs
- 3. An SKU, or Stock Keeping Unit, is identified by
 - a. The amount of styles multiplied by the amount of colors in a collection
 - b. The amount of sizes multiplied by the amount of colors in a style

- c. The amount of sizes multiplied by the amount of styles in a collection
 - d. The amount of colors multiplied by the first cost in a style
4. There are advantages of using a foreign country with lower labor costs like India to produce your garments, however a disadvantage would be:
- a. The amount of units to order with the factory may have high minimum orders
 - b. Errors may occur due to language barriers
 - c. Long lead times, possible delays in shipping and added transportation fees
 - d. All of the above
5. Which of the following costs would be considered part of the Total Miscellaneous Cost?
- a. Buttons
 - b. Duties
 - c. Sewing
 - d. None of the above

Key for Chapter 3 Assessment Questions

True-False

1. F

2. F

3. T

4. F

5. T

Multiple Choice

1. d

2. c

3. b

4. d

5. b