



STRATHMORE BUSINESS SCHOOL
BACHELOR OF SCIENCE IN SUPPLY CHAIN & OPERATIONS MANAGEMENT
END OF SEMESTER EXAMINATION
SCM 2105: LOGISTICS AND TRANSPORTATION MANAGEMENT

Date: Thursday, 4th August 2022

Time: 2 hours

Instructions:

1. This examination consists of **FIVE** questions.
2. Answer Question **ONE (COMPULSORY)** and any other **TWO** questions.

QUESTION ONE (30 MARKS)

- a) CFH Limited, a company based in Shanghai, China is exporting goods to their customer in Nairobi, Kenya. This consignment will be a parcel consisting of 4 cartons to be shipped by courier service. The Kenyan based customer wants CFH to use their own appointed courier and have agreed to clear for import as long as CFH clears for Export out of China. The customer would like CFH to arrange from their warehouse in China, directly to their warehouse in Mombasa, Kenya. What Incoterm should be used and why?
(6 marks)
- b) Distinguish between the following terms used in logistics and transportation management.
 - i. Logistics and Transportation (2 marks)
 - ii. Wholesalers and Distributors (2 marks)
 - iii. Cost of Service Pricing and Value of Service Pricing (2 marks)(6 marks)
- c) Rubi has received a quotation for transportation of a parcel from Nairobi, Kenya to Kampala, Uganda at Kes. 7,500. Propose four (4) approaches she can use to find out if this price is competitive in the market.
(8 marks)
- d) You have been invited to a Chartered institute of Logistics and Transportation (CILT) Supply Chain Management conference to speak about “Cost Management in Logistics”. Recommend to the practitioners five (5) ways logistics companies can reduce delivery costs hence realizing high returns on investment (ROI).
(10 marks)

QUESTION TWO (20 MARKS)

- a) In your own words, explain the concept of “Unitization” citing two advantages and two disadvantages. (6 marks)
- b) Explain four (4) factors a transport department can consider when examining whether their organisation should have their own fleet or outsource. (8 marks)
- c) Discuss how any three (3) characteristics of a consignment would impact on the transport mode chosen. (6 marks)

QUESTION THREE (20 MARKS)

- a) Outline four (4) activities that take place in a logistics and transportation department. (4 marks)
- b) You have been hired as a transport manager in ABC Manufacturing Limited. Your first task is to set up a transport department. Explain to the Directors three (3) key roles of transportation in logistics. (6 marks)
- c) Channel decisions are among the most important decisions that logistics and transport managers face and will directly affect every other transport decision. Discuss five (5) factors to be considered by firms in the distribution planning process. (10 marks)

QUESTION FOUR (20 MARKS)

- a) Route planning minimises the distance and travel time necessary to reach a set of planned stops. Discuss five (5) factors that must be considered when route planning. (10 marks)
- b) The need for the correct packaging is a necessity for almost every type of good. Describe five (5) functions of packaging in logistics and transportation management. (10 marks)

QUESTION FIVE (20 MARKS)

- a) Support teams in transportation provide all kinds of critical support to the work done by truck drivers both off and on the road. List four (4) types of these support staff in transport industry. (4 marks)
- b) Green logistics refers to the set of sustainable policies and measures aimed at reducing the environmental impact caused by the activities in the business area. Examine three (3) ways a firm can be more sustainable in their logistics process. (6 marks)
- c) Your employer, ABC Limited, would like to procure a Transport Management System (TMS). As the logistics manager, advice the staff on five (5) benefits of a TMS in logistics management. (10 marks)

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