



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

DATE: Monday, 6th September 2021

Time: [08:00] 2 hours

Instructions

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

QUESTION ONE

- a) Rina Fruits Limited (RFL) is a mango producing company located in Nairobi, Kenya. The company has entered into a supply contract with China Walmart based in Shanghai, China to supply two 40-footer containers each month. The produce is to be transported by Sea. You are the transport manager of RFL leading a team to discuss the INCOTERMs for this transaction as part of other negotiations. Recommend two (2) INCOTERMs and justify why you will choose these particular INCOTERMs.

(4 marks)
- b) In a pure competition market structure, it is difficult for a transport company to stand out by only moving products from point A to B. Explain four (4) ways logistics can add value within the supply chain to achieve competitive advantage.

(8 marks)
- c) You currently run the transport operations in the supply chain department for a consumer goods manufacturer which includes packaging. Explain four (4) factors you will consider when selecting packaging materials.

(8 marks)
- d) You have recently recruited new distributors, retailers, and wholesalers in your distribution network. Explain to them five (5) of their roles as intermediaries.

(10 marks)

QUESTION TWO

- a) Explain the two (2) principles of transportation.

(4 marks)
- b) A replacement policy enables the organization to renew the fleet according to a planned structure. Describe three (3) financial structure a transport and logistics manager can use to acquire additional vehicles.

(6 marks)

- c) You have been employed as a transport manager at HDG Limited. You find that HDG has always used local third-party contractors to distribute its products. Upon investigation, it has been discovered that the current contractor's performance has deteriorated. The last contract with the third-party contractor was five years ago and is due to expire in two (2) months' time. Justify an appropriate approach to selecting a new third-party transport contractor for HDG.

(10
marks)

QUESTION THREE

- a) Differentiate between second-party logistics (2 PL) and third-party logistics (3 PL).
(4 marks)
- b) Load planning is one of the key activities for transport companies to reduce their expenses. Describe the three (3) components of load planning.
(6 marks)
- c) Making the right choice of distribution network is very important for a logistics manager. Assess five (5) factors to consider when selecting a distribution channel.
(10 marks)

QUESTION FOUR

- a) List four (4) security measures that could be taken to protect vehicles.
(4 marks)
- b) Truck drivers are only as good as the people supporting them behind the scenes. Explain the role of three (3) support personnel in the transport industry.
(6 marks)
- c) Discuss five (5) variables that can affect the cost when estimating the cost of carrier or shipping.
(10 marks)

QUESTION FIVE

- a) Suggest four (4) key performance indicators (KPIs) that would measure the efficiency and effectiveness of road transport operations.
(4 marks)
- b) Price can be defined as cost plus profit in the context of a firm's competition. Discuss three (3) approaches the transport manager can use to price their services.
(6 marks)
- c) Evaluate five (5) benefits of a Transport Management System (TMS) to an organisation.
(10 marks)