



PROGRAM : BACHELOR OF TECHNOLOGY
ENGINEERING : INDUSTRIAL

SUBJECT : LOGISTICS ENGINEERING IV

CODE : ILE411

DATE : SUMMER EXAMINATION 2015
13 NOVEMBER 2015

DURATION : (SESSION 1) 08:30 - 11:30

WEIGHT : 40 : 60

TOTAL MARKS : 100

ASSESSOR : MR F CHIROMO

MODERATOR : DR R MALADZHI

NUMBER OF PAGES : 3 PAGES

INSTRUCTIONS :

- ANSWER ALL QUESTIONS.
 - A STUDENT IS EXPECTED TO MAKE REASONABLE ASSUMPTIONS FOR DATA NOT SUPPLIED.
 - NUMBER YOUR QUESTIONS CLEARLY AND UNDERLINE THE FINAL ANSWER..
-

QUESTION 1

Distribution channels in international trade are the physical routes that a product follows from the seller (exporter) to the buyer (importer). Discuss the method of operation of the following distribution channels:

- 1.1 distributors; (5)
 - 1.2 trading houses; and (5)
 - 1.3 export agents. (5)
- [15]**
-

QUESTION 2

Discuss why management of inventory is important in running a profitable business. (15)

[15]

QUESTION 3

“Forecasting is an attempt to predict future occurrences- in this case market conditions and subsequent demand for our product”.

Discuss the statement above regarding forecasting, with specific reference to the role of forecasting in logistics management, the factors that render forecasts inaccurate and recommendations on how the value and accuracy of forecasts can be improved. (12)

[12]

QUESTION 4

Assume you are the logistics manager of a petroleum company. Your refinery is in Durban and your major market is in Gauteng. How would you distribute your product from your refinery right up to the individual filling stations in Gauteng? (14)

[14]

QUESTION 5

Imagine you are working for consulting company and have been assigned to a newly established logistics company that seeks to go into road freight between Johannesburg and Cape Town. This route has established freighters (road, rail and air). Your terms of reference are to advise the company on how to gain **competitive advantage**.

Discuss the issues you will present to your client. (24)

[24]

QUESTION 6

Discuss the road transport cost structure paying attention to fixed costs, standing costs and variable costs.

(20)

[20]

TOTAL = 100
