



FACULTY OF MANAGEMENT
DEPARTMENT OF TRANSPORT AND SUPPLY CHAIN
MANAGEMENT (EXTENDED)
FINAL SUMMATIVE ASSESSMENT

SUBJECT: Logistics Management 2A
CODE: PML2A00
DATE: 3 November 2015
TIME ALLOWED: 120 Minutes
TOTAL MARKS: 100

EXAMINER(S): Mr S Ngcobo
MODERATOR Mr L Buys
NUMBER OF PAGES: 10

INSTRUCTIONS:

- This is a closed-book assessment.
 - Question papers must be handed in together with your answer books.
 - Read the questions carefully and answer only what is asked.
 - Answer all the questions:
 - Answer **section A** on the scanner sheet provided. Indicate the correct answer as per the instructions on the scanner sheet.
 - Answer **section B** in the answer book.
 - Number your answers clearly.
 - Write neatly and legibly on both sides of the paper in the answer book, starting on the first page.
 - Structure your answers by using appropriate headings and subheadings.
 - The general University of Johannesburg policies, procedures and rules pertaining to written assessments apply to this assessment.
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SECTION B**[75 MARKS]****QUESTION 1****[25 MARKS]****NOTE: Use your answer book to answer this question.**

1.1 The ABC analysis is done by management to find out how important each item is for the organisation. In organisations it often happens that a few items are costing a large percentage of the capital that is invested in the inventory

You are currently the warehouse manager for Toyota SA that buys and sells commercial vehicles parts. You are given 14 commercial part items.

Using the ABC analysis, calculate which items are "A" "B" and "C" items that are required to keep in stock in various warehouses. The "A" item warehouse is set at 60% and B at 35%. Draw a grid to show your answer and calculation. (15)

| Product (codes) | Unit usage | Unit price | Monthly revenue | Item |
|-----------------|------------|------------|-----------------|------|
| TSAC 940 | 7 | 2 | | |
| TSAC 600 | 801 | 5 | | |
| TSAC 100 | 6689 | 6 | | |
| TSAC 900 | 389 | 10 | | |
| TSAC 400 | 1239 | 4 | | |
| TSAC 500 | 2446 | 2 | | |
| TSAC 700 | 1996 | 2 | | |
| TSAC 200 | 19897 | 1 | | |
| TSAC 930 | 9 | 10 | | |
| TSAC 800 | 1990 | 2 | | |
| TSAC 951 | 428 | 10 | | |
| TSAC 910 | 251 | 10 | | |
| TSAC 300 | 2528 | 2 | | |
| TSAC 920 | 47 | 50 | | |
| | | | | |

- 1.2** Firms are faced with a wide array of options when choosing a storage racking system for a warehouse. The two operational criteria when choosing a configuration are selectivity and space utilisation. In light of the above statement, explain any five major types of racking configurations. (10)

QUESTION 2**[26 MARKS]**

- 2.1 In today's globalised economy many firms are sourcing products offshore in other countries, particularly Asia. Discuss six (6) benefits of global sourcing, and illustrate your understanding with applicable examples for each benefit. (12)
- 2.2 In a strategic sense and for more involved procurement a firm may undertake a supplier appraisal to objectively examine a supplier's capability and performance. The appraisal also provides a risk assessment for the buyer. Fully discuss factors to be considered in supplier appraisal process. (14)

QUESTION 3**[24 MARKS]**

- 3.1 Briefly describe seven (7) products that are suitable for global sourcing. (14)
- 3.2 Fully discuss advantages and disadvantages of pipeline transportation. (10)

END OF ASSESSMENT