



PROGRAM : **NATIONAL DIPLOMA**
LOGISTICS/RETAILING/TRANSPORTATION

SUBJECT : **LOGISTICS 2B**

CODE : **PML22B2**

DATE : **YEAR-END EXAMINATION**
31 OCTOBER 2015

DURATION : **(X-PAPER) 08:30 - 11:30**

WEIGHT : **50 : 50**

TOTAL MARKS : **100**

EXAMINER : **DR C VOORTMAN & DR N MPISA**

MODERATOR : **MR H VAN DEN BERG**

NUMBER OF PAGES : **7 PAGES**

INSTRUCTIONS : Students are required to carefully complete the above-mentioned details and complete the examination on the answer sheet provided and hand this in once complete. All questions must be handed in by the student. You are given 5 minutes to scan the question paper before the exam time begins. All exam scripts must be handed in

REQUIREMENTS : **SURNAME:** _____ **INITIALS** _____

STUDENT NUMBER: _____

Assessment Totals (for the examiner)

Question 1	/20
Question 2	/20
Question 3	/20
Question 4	/20
Question 5	/20
Total	/100

Question 1 (20 marks)

1.1 Products are now designed for the entire supply chain and not just for manufacturing. The new “design for supply” movement means that one designs products for the entire supply chain. Discuss some of the **design products for the supply chain** approaches that have become more important as a result of this approach. Discuss at least 5 relevant approaches below [5x2=10]

1	One approach is to involve _____ in the design of the product
2	
3	
4	
5	

2.2 Identify the 5 terms/ documents used in international logistics (5x2=10)

MPS	
NVOCC	
FAS	
RFID	
EXW	

Question 2 (20 marks)

2.1 In this question you are required to discuss the **reasons why companies enter global markets?**
Mentioned at least 10 reasons why firms enter global markets (10 marks)

No	Reasons why firms enter global markets
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

2.2 Discuss at least **5 Controllable & 5 Uncontrollable Factors** that can influence a firm doing *logistics in a global/ international setting* (5 + 5=10)

1.	Controllable factor 1 is
2.	
3.	
4.	
5.	

1.	Uncontrollable factor 1 is
2.	
3.	
4.	
5.	

Question 3 (20)

In this question you are required to match Column A with Column B.
An example is given in 1 below where i is the right answer.

ColumnA	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
ColumnB	i																			

Column A	Column B
1 Reason for the complexity of global logistics are:_____	a. No fixed assets like warehouse buildings
2 Fumigation certificates applies to _____	b. Seller makes goods available to the buyer at the seller's premises
3 Advantages of exporting	c. Flexibility lost owing to long-term commitment to foreign market
4 Disadvantage of ownership	d. CIP – (carriage and insurance paid to) – named place of destination
5 Air way bill	e. An export document which is documentary evidence of proof of carriage and serves as an invoice of freight & as a certificate of insurance
6 E-terms (EXW)	f. The document provides proof of the value and/or origin of the goods concerned
7 D-terms (DAF, DES, DEQ, DDU and DDP	g. A certificate which applies to plants and plant products like cut flowers, seeds, bulbs
8 Seller nominates a carrier and delivers goods to the nominated carrier	h. EFT or electronic fund transfer
9 A certificate of origin	i. Different legal systems
10 Which term became popular in the computerized world of electronic payments in global logistics.	j. Seller is responsible for all the costs and risks associated with transportation the goods, insurance of the goods as well as paying all import duties and clearing of goods for import
11 CFR (cost and freight) – the terms defines two distinct and separate responsibilities	k. Seller fulfils his obligation when goods have been made available at the named place in the country of destination but duties remain unpaid
12 CIP – (carriage and insurance paid to) – name place of destination	l. Seller is responsible for all the costs and risks associated with the transporting the goods to the destination
13 DEQ – (delivered ex quay)	m. Title and risk pass over to buyer when seller delivers goods to named destination at the port of origin
14 DDU – named destination	n. C is dealing with the actual cost of the goods and F refers to the freight charges to a predetermined destination point
15 DDP – (delivered duty paid) named port	o. Seller nominates carrier and delivers the goods to the nominated carrier.
16 Goods delivered Ex Works are normally delivered from the _____	p. From the harbor area or the side of the ship on the landside
17 Goods delivered Ex Quay (DEQ) are delivered	q. From the production plant, or the mine, or the farm or wherever the product is 'made'
18 Delivered FAS	r. Risk passes to the buyer once the seller has loaded and delivered the goods onto the ship/ train/ plane/vehicle that the buyer will use to deliver the product to his named destination
19 Delivered FOB	s. Delivery is complete when the seller has completely delivered the goods alongside the vessel at a named port of shipment
20 Phytosanitary certificates applies to _____	t. Certificate which applies to second hand clothing

Question 4 (20 marks)

4.1 Three types of Vertical integration Strategies can be used by companies.

Discuss each of these 3 strategies in detail (3 strategies x 5 marks =15 marks)

Strategy 1: (Name the Integration strategy here)↓ Forward integration is (1)	Explanation of Forward Integration (2)
	Examples of Forward integration showing you understand the concept 1) 2)
Strategy 2: _____ integration is (1)	Explanation of _____ Integration (2)
	Examples of _____ integration showing you understand the concept 1) 2)
Strategy 3: _____ integration is (1)	Explanation of _____ integration (2)
	Examples of _____ integration showing you understand the concept 1) 2)

4.2 Discuss any 5 methods discussed in the chapter 9 on Customer Service that you could use to improve the overall customer service of your business or organization.

No	<u>Customer service methods</u> that one could use to improve your overall level of customer service in your organization. One such method is an Internal _____. List another 5 methods in the space provided below only (5)
1	
2	
3	
4	
5	

Question 5 (20 marks)

5.1 Managing **variability** in supply chains is not as easy as it looks. In this question you are required to discuss 10 of the 38 factors that were discussed in class & in chapter 12. Answer this question in space provided (10 marks):

	<u>Managing variability in supply chains: 10 key factors of consideration</u> List the factor & then discuss/ explain this factor briefly below it (1 mark)
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

5.2 Modern supply chains encounter and experience many risks and supply chain and logistics managers and workers need to be aware of these risks so that they are not caught off guard. Briefly discuss at least 10 typical supply chain risks (10 marks)

	Typical supply chain risks to be discussed here below
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	