



**FACULTY OF MANAGEMENT
EXAMINATION**

DEPARTMENT OF TRANSPORT AND SUPPLY CHAIN

<u>MODULE</u>	:	TRANSPORTATION 2B00
<u>CODE</u>	:	TRA2B00
<u>DATE</u>	:	9 NOVEMBER 2015
<u>DURATION</u>	:	2 HOURS
<u>TIME</u>	:	12h30
<u>TOTAL MARKS</u>	:	100

<u>EXAMINER(S)</u>	:	MS J VAN DER WALT
<u>(EXTERNAL) MODERATOR(S)</u>	:	MRS C CELLIERS
<u>NUMBER OF PAGES</u>	:	10 PAGES

INSTRUCTIONS TO CANDIDATES:

- Question papers must be handed in.
- Use a scientific calculator to complete calculations.
- This is a closed book assessment.
- Read the questions carefully and answer only what is asked.
- Answer in the space provided.
- Write neatly and legibly
- Structure your answers by using appropriate headings and sub-headings.
- The general University of Johannesburg policies, procedures and rules pertaining to written assessments apply to this assessment.

STUDENT NR:

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QUESTION 1

(20)

Answer the following multiple choice questions on the scanner sheet provided.

1. What is one of the primary reasons for the growth of trucking after World War II?
 - a. Trucks became larger and faster
 - b. Shippers liked the door to door service which trucks could provide
 - c. The Interstate Highway System was constructed which allowed trucks to give faster service over longer distances.
 - d. The railroads gave up on truck type freight and stopped seeking it.
2. What is the primary division between motor carriers?
 - a. Local and long haul
 - b. LTL and Truckload
 - c. Intrastate and interstate
 - d. For hire and private
3. What is a Private Carrier?
 - a. a trucking firm whose stock is not listed on any of the stock exchanges
 - b. a trucking firm whose name does not appear on the equipment
 - c. a trucking operation that only hauls freight for the firm which owns it
 - d. a trucking firm that is not registered with the FMCSA
4. What does most of the of the trucking industry consists of?
 - a. carriers operating 6 or fewer trucks
 - b. private trucking
 - c. LTL carriers
 - d. specialized carriers
5. There is a relatively small amount of capital required to:
 - a. enter the private carriage business
 - b. the truckload industry
 - c. pick up and delivery sector
 - d. line haul sector
6. The demand for freight:
 - a. originates when the carrier asks for the business
 - b. starts when the shipper calls the railroad to provide equipment to move a shipment
 - c. is a derived demand based demand for products
 - d. is based upon government quotas
7. The railroads dominate the market for:
 - a. hauling 30,000 pounds or more over 300 miles.
 - b. hauling 60,000 pounds or less than 100 miles.
 - c. oversize and over-dimension shipments.
 - d. coal and chemicals.

8. What is one of the strengths of the railroad industry?
 - a. that it is not as affected by the weather as are other modes
 - b. that the railroads have large carrying capacity
 - c. that it can move products in both directions
 - d. that geographical barriers are not as formidable as they are for other modes
9. What is the difference between TOFC and COFC service?
 - a. TOFC is slower and cheaper
 - b. not all railroads can handle COFC
 - c. that COFC is more costly
 - d. one method move the trailer on its wheels and the other moves only the "box" or the container.
10. Railroad carloadings have declined since 1900. What is the primary reason for the decline?
 - a. competition by foreign transportation
 - b. fuel efficient smaller cars
 - c. reduction in line trackage
 - d. larger cars and increasing car productivity
11. The Supreme Court decided that the pipelines are required to operate as common carriers if a shipper of oil demands their services. This decision is known as the:
 - a. Standard Oil Case.
 - b. Alaska North Slope Case.
 - c. Champlin Oil Case.
 - d. Hepburn Case.
12. Which is a significant factor allowing the pipelines to increase their capacity and move an increased amount of tonnage?
 - a. larger pipe diameters
 - b. seamless pipe
 - c. major advances in technology
 - d. government regulations which require that the lines move product more quickly
13. Pipeline accounts for 20% of the total intercity tonnage shipped in the U.S.. However their revenues are only 4% of the total intercity transportation revenues. Why is this?
 - a. high incidence of loss and damage
 - b. low reliability
 - c. Shipper's ability to negotiate lower rates because of intense competition among modes
 - d. low rates
14. Which of the following best describes the oil pipelines in the United States?
 - a. primarily operated as private carriers on a not-for-hire basis
 - b. primarily operated as private carriers on a for-hire basis
 - c. primarily operated as common carriers on a for-hire basis

- d. primarily operated as common carriers on a not for-hire basis
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- 15. Which two factors have contributed to joint ownership of large-diameter pipelines?
 - a. high variable costs of ownership and low rates
 - b. economies of scale and high fixed costs of ownership
 - c. government regulation and development funds
 - d. rail competition and the growth of domestic water transport
 - 16. What medium is used to move coal in slurry lines?
 - a. compressed air
 - b. gas
 - c. water
 - d. vacuum
 - 17. Which is a major advantage offered by the pipelines?
 - a. capability
 - b. low rates
 - c. long transit times with "storage in transit"
 - d. accessibility
 - 18. The most serious threat to the pipeline industry are from which form of competition?
 - a. Canadian companies building new pipelines into the U.S.
 - b. natural gas powered pipeline
 - c. intramodal
 - d. intermodal
 - 19. Oil pipelines used for movement of products from storage areas and refineries to market-oriented tank farms are classified as which of the following?
 - a. gathering lines
 - b. transmission lines
 - c. trunk lines
 - d. product lines
 - 20. The pipelines provide their own rights of way, construct the pipelines and pumping stations, pay property taxes, and provide for the preventative maintenance of their transportation networks. This contributes to the high proportion of which of the following in the pipeline's cost structure?
 - a. variable costs
 - b. fixed costs
 - c. variable costs
 - d. revenue costs

QUESTION 2**(20)**

Fit column A with B. Answer the following questions in the space provided.

A		B	
1	The motor carrier industry is	A	competition within modes
2	advantage of air transportation	B	Discounts from full fare
3	for-hire carriers	C	Flexibility, smooth ride, greater accessibility
4	Define Intramodal	D	UPS
5	Rail is considered oligopolistic market structure	E	Load and unload passengers
6	Standard track guage	F	PUD, break bulk, relay
7	Private carriers competition	G	provides transportation service only to the company which ones the carrier
8	A motor carrier cost structure is primarily	H	generates the most severe competition for the for hire carriers
9	private carriers	I	Operating, nonoperating craft, and nonoperating industrial
10	types of terminals	J	small number of interdependent large sellers and barriers to entry exist
11	commodities transported by railroads	K	both LTL and TL Carriers to exchange loaded trailers
12	commuter airline	L	regional carrier
13	smaller cargo carrying capacity of trucks allows for	M	Operating, nonoperating craft, and nonoperating industrial
14	The Relay terminal is used by	N	more customer-or market-oriented than other modes and has been quicker to respond to shipper's demands.
15	classifications of labor on railroads	O	distance between the inside edge of the running rails of a rail track
16	classifications of labor on railroads	P	holds itself out to the general public
17	advantages to motor carrier	Q	coal, farm products, chemicals
18	airline pricing characterized	R	more frequent shipments
19	all-cargo carrier	S	variable
20	functions performed at air terminals	T	speed

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QUESTION 3

(20)

Complete the following table.

	MOTOR	AIR
ECONOMIC CHARACTERISTICS		
COST		
MARKET COVERAGET		
DEGREE OF COMPETITION		
PREDOMINANT TRAFFIC		
AVERAGE LENGH OF HAUL		
SERVICE CHARACTERISTICS		
SPEED		
AVAILABILITY		
CONSISTENCY		
LOSS AND DAMAGE		
FLEXIBILITY		

QUESTION 4

(20)

4.1 Several significant issues currently face the motor carriers. Pick two, define and discuss. (10)

[illegible]

QUESTION 5

(20)

5.1 Define and discuss the length of haul and capacity of air carriers. How does this relate to intermodal competition? (10)

[illegible]

[illegible]