



FACULTY/COLLEGE	College of Business and Economics
SCHOOL	Johannesburg Business School
DEPARTMENT	Business Management
CAMPUS(ES)	APB
MODULE NAME	Logistics Management
MODULE CODE	AC1LOGM
SEMESTER	Second
ASSESSMENT OPPORTUNITY, MONTH AND YEAR	Supplementary Summative Assessment 2019

ASSESSMENT DATE	2019	SESSION	08:00-11:00
ASSESSOR(S)	Mr H van den Berg		
MODERATOR(S)	Mr D le Grange (External)		
DURATION	3 hours	TOTAL MARKS	100

NUMBER OF PAGES OF QUESTION PAPER (Including cover page)	6
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INFORMATION/INSTRUCTIONS:

- This is a closed-book assessment.
- Answer all the questions.
- Read the questions carefully and answer only what is required.
- Answer SECTION A (multiple-choice questions) on the multiple-choice answer sheet on the last page of the assessment script (answer book).
- Answer SECTION B in the assessment scrip
- Number your answers clearly and correctly as per the question paper.
- Write neatly and legibly on both sides of the paper in the answer book, starting on the first page.

SECTION A**[19 MARKS]**

Multiple Choice

1. Reverse logistics is required because _____.
 - a) goods are defective
 - b) goods are unsold
 - c) the customers simply change their minds
 - d) All of the above

2. The physical characteristics of a product will often dictate what:
 - a) types of sales can be made
 - b) forms of sales promotion to be used
 - c) types of instructions are needed
 - d) geographic regions will be included
 - e) kinds of transportation can be used

3. Which one of these is a key function performed by warehousing? :
 - a) Inventory piling
 - b) Work-in-process
 - c) Information transfer
 - d) Planning
 - e) Product control

4. Which one of the following qualify as inventory carrying costs?
 - a) Capital costs
 - b) Advertising costs
 - c) Storage space costs
 - d) (a) and (c)
 - e) (a) and (b)

5. The ability to provide the equipment and facilities that the carriage, handling and storage of a particular commodity or item require is known as ...
 - a) accessibility
 - b) goods security
 - c) reliability
 - d) flexibility
 - e) suitability

6. Which one of the following is a reason why firms keep inventory?
- a) Uncertainty
 - b) To satisfy customer needs
 - c) Economies of scale
 - d) Specialisation
 - e) All of the above
7. Packaging has an impact on ...
- a) the layout of a warehouse
 - b) the productivity of a warehouse
 - c) the design of a warehouse
 - d) All of the above
 - e) None of the above
8. Efficient packaging can ...
- a) have a positive impact on the sales volume of a retailer
 - b) assist customers in identifying products in a supermarket
 - c) prevent the sale of low-quality products to customers
 - d) bring about (a) and (b)
 - e) bring about all of the above
9. Packaging can ...
- a) increase the weight of products
 - b) protect products against damages
 - c) lead to bigger volumes of products being stored in a warehouse
 - d) bring about (a) and (c)
 - e) bring about all of the above
10. Which one of the following defines reverse logistics?
- a) Handling returns and disposal, including recycling
 - b) Space available at your warehouse for your trucks to reverse
 - c) Producing your product as the customer orders
 - d) Space available between racks for your forklifts to turn around
 - e) None of the above
11. Which one of the following is not a factor that is calculated in inventory holding costs?
- a) Manufacturing

- b) Insurance
 - c) Taxes
 - d) Warehouse costs
 - e) Electricity for fridges
12. Of which logistics function does the activity of freight consolidation form a part?
- a) Warehouse management
 - b) Inventory management
 - c) Materials handling
 - d) Transport
 - e) Order processing
13. Which one of the following is NOT a reason for holding inventory?
- a) Achievement of economies of scale
 - b) Minimising uncertainties in the demand and order cycle
 - c) Balancing supply and demand
 - d) Keeping up to date with the latest fashions
 - e) Ensuring stable employment
14. Which logistics activity entails the (off-road) movement or flow of raw materials, semi-finished goods, and finished goods on-premises and within a facility?
- a) Physical distribution
 - b) Materials management
 - c) Transport
 - d) Inventory management
 - e) Materials handling
15. Labels on products and packaging are used to ...
- a) display the trading colours of the products
 - b) display the ingredients of the products
 - c) accommodate the barcoding
 - d) Do all of the above
 - e) (a) and (c)
16. Which of the following costs are affected by packaging costs?
- a) Transport
 - b) Warehousing
 - c) Production

- d) Handling
 - e) All of the above
17. Labels contain information that is of importance to ...
- a) production plants
 - b) accountants
 - c) transport companies
 - d) (a) and (c)
 - e) (a) and (b)
18. What can be used to measure the effectiveness of the inventory management system?
- a) The extent of consumer satisfaction
 - b) The extent of late payments of accounts
 - c) The extent of labour disputes
 - d) Inventory to total assets ratio
 - e) Inventory to total current assets ratio
19. Tactical logistics activities are those that are undertaken to _____ functional supply chain activities.
- a) plan and prepare
 - b) implement and organise
 - c) plan and control
 - d) execute and control
 - e) prepare and execute
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SECTION B**[81 MARKS]**

Long questions

QUESTION 1**[5x2=10 MARKS]**

Identify all the primary activities in Porter's Generic Value Chain and clearly explain each activity with relevant examples, relating to *Simba chips*.

QUESTION 2**[5x2=10 MARKS]**

Identify the five (5) specific examples of the macro give relevant examples of what you think will relate to a particular macro environment.

QUESTION 3**[8x2=16 MARKS]**

In the Logistics Management Model, there are fourteen (14) Logistics Activities which is directly related to the logistics of the organisation. Identify any eight (8) of the logistics activities and clearly explain each input, with relevant examples, what function each input will fulfil in the logistics of an organisation.

QUESTION 4**[5x2=10 MARKS]**

Material handling is concerned with every aspect of the movement or flow of raw materials, in-process inventory, and finished goods within a plant or warehouse. Identify what objectives of material handling is and, clearly explain objective with relevant examples, relating to *Builders Warehouse*.

QUESTION 5**[10 MARKS]**

5.1 What does the abbreviation EDI represent in Logistics? **[1]**

5.2 Identify all the benefits of EDI implementation. **[9]**

QUESTION 6**[4x2=8 MARKS]**

Lot quantity costs are those production-related or purchasing/acquisition costs that will change as a result of a change in the logistics system. Identify all the lot quantity costs and, clearly explain each cost with relevant examples, relating to *Builders Warehouse*.

QUESTION 7**[17 MARKS]**

7.1 The Customer Service Component figure has three (3) fundamental dimensions, mention all three (3). **[3]**

7.2 The 'first' of the three (3) service areas figure, has seven (7) factors which form part of this service area. Identify the seven (7) factors and clearly explain with relevant examples, what *Builders Warehouse* will be doing in each area to enhance their customer service. **[7x2=14]**

TOTAL: 100 MARKS