



**PAMIBIA UNIVERSITY**  
OF SCIENCE AND TECHNOLOGY

**FACULTY OF MANAGEMENT SCIENCES**  
**DEPARTMENT OF MARKETING AND LOGISTICS**

<b>QUALIFICATION: BACHELOR OF TRANSPORT MANAGEMENT</b> <b>BACHELOR OF LOGISTICS AND SUPPLY CHAIN MANAGEMENT</b>	
<b>QUALIFICATION CODE: 07BTMM</b> <b>07BLSC</b>	<b>LEVEL: 5</b>
<b>COURSE CODE: FLM521S</b>	<b>COURSE NAME: FUNDAMENTALS OF LOGISTICS</b> <b>MANAGEMENT</b>
<b>SESSION: JANUARY 2019</b>	<b>PAPER: THEORY</b>
<b>DURATION: 3 HOURS</b>	<b>MARKS: 100</b>

<b>SECOND OPPORTUNITY EXAMINATION QUESTION PAPER</b>	
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<b>INSTRUCTIONS</b>
1. Answer ALL the questions 2. Write clearly and neatly 3. Number the answers clearly

**THIS QUESTION PAPER CONSISTS OF 5 PAGES (Including this front page)**

## SECTION A

### Question 1

- 1.1 All of the following are true, except: (2 marks)
- a) there is no one optimal inventory turnover ratio
  - b) high inventory turnover may signal a low level of inventories
  - c) low inventory turnover results in high inventory carrying costs
  - d) inventory turnover is calculated by dividing the cost of goods sold by average inventory
  - e) all are true
- 1.2 \_\_\_\_ stock refers to inventory that is needed to satisfy normal demand during the course of an order cycle. (2 marks)
- a) Psychic
  - b) Speculative
  - c) cycle
  - d) Pipeline
- 1.3 Which of the following situations is likely the most damaging (costly) with respect to a stockout? (2 marks)
- a) the customer buys a substitute product that yields a higher profit for the seller
  - b) the customer buys a substitute product that yields a lower profit for the seller
  - c) the customer goes to a competitor for this purchase
  - d) the customer says "Call me when it's in"
- 1.4 A(n) \_\_\_\_ refers to a specific individual item or product for which separate records must be maintained. (2 marks)
- a) economic order quantity
  - b) stock-keeping unit
  - c) project cargo
  - d) throughput

1.5 Distribution centers emphasize \_\_\_\_\_ and their primary purpose is to maximize \_\_\_\_\_. (2 marks)

- a) product storage; throughput
- b) product storage; usage of available storage space
- c) rapid movement of product; throughput
- d) rapid movement of product; usage of available storage space

1.6 The primary factor that distinguishes a distribution center from a warehouse is: (2 marks)

- a) distribution centers tend to be multi-story buildings
- b) distribution centers stress storage
- c) distribution centers stress rapid movement of products through the facility
- d) distribution centers tend to be smaller than warehouses

1.7 Warehousing and \_\_\_\_\_ are substitutes for each other. (2 marks)

- a) transportation
- b) materials handling
- c) packaging
- d) procurement
- e) none of the above

1.8 Tradeoffs must be among space, labor, and \_\_\_\_\_ with respect to warehousing design. (2 marks)

- a) cost
- b) construction materials
- c) speed
- d) mechanization

1.9 Which of the following statements regarding perishable products is false? (2 marks)

- a) they require special packaging
- b) they require special monitoring
- c) they require special loading
- d) they require special storage
- e) all are true

1.10 \_\_\_\_ refers to materials used for the containment, protection, handling, delivery, and presentation of goods. (2 marks)

- a) Packaging
- b) A box
- c) Materials handling
- d) Procurement

1.11 Which of the following is not a characteristic of plastic packaging? (2 marks)

- a) lack of versatility
- a) takes a long time to biodegrade
- b) plastic is dependent on petroleum
- c) plastic litter can kill marine animals
- d) all are characteristics of plastic packaging

1.12 \_\_\_\_ refers to a process where a product is received in a facility, occasionally married with product going to the same destination, and then shipped at the earliest time, without going into longer-term storage. (2 marks)

- a) Just-in-time
- b) Cross-docking
- c) Consolidation
- d) Turbologistics

1.13 \_\_\_\_ involves bringing together similar stocks from similar sources. (2 marks)

- a) Bulk-breaking
- b) Assorting
- c) Accumulating
- d) Sorting

1.14 Warehousing and \_\_\_\_ are substitutes for each other. (2 marks)

- a) transportation
- b) materials handling
- c) packaging
- d) procurement
- e) none of the above

**Sub-total: 28 marks**

### 1.15 True and False

- a) Warehouses emphasize the storage of products and their primary purpose is to maximize throughput.
- b) Distribution centers emphasize the rapid movement of products through a facility and attempt to maximize throughput.
- c) Materials handling has been referred to as transportation at zero miles per hour.
- d) In make-to-order situations, finished goods are produced after receiving a customer order.
- e) Throughput is the amount of product entering and leaving a warehousing facility in a given period of time.

**Sub-total: 10 marks**

## SECTION B

### QUESTION 2

Briefly explain the following concepts

- |     |                          |           |
|-----|--------------------------|-----------|
| 2.1 | Average Inventory        | (4 marks) |
| 2.2 | Reorder Level            | (4 marks) |
| 2.3 | Inventory turn –over     | (4 marks) |
| 2.4 | Inventory Carrying Costs | (4 marks) |
| 2.5 | Inventory Ordering Costs | (4 marks) |
| 2.6 | Economic Order Quantity  | (4 marks) |

**Sub-total: 24 marks**

### QUESTION 3

List the purposes of holding inventory? (10 marks)

### QUESTION 4

Many organisations are using specialist third party suppliers for warehousing. What are the benefits of this? What are the different types of arrangement for third party warehousing? (12 marks)

### QUESTION 5

Everyone is talking about the benefits of purchasing through the Internet. What are these? How will e-procurement affect wider operations? What other changes will there be in the future? (16 marks)

**TOTAL: 100 MARKS**

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