



**NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY**

**CENTRE FOR ENTERPRISE DEVELOPMENT
CATS PROGRAMME**

QUALIFICATION: CERTIFICATE IN BUSINESS PROCESS MANAGEMENT	
QUALIFICATION CODE: 21CABM	LEVEL: 5
COURSE CODE: FLM511C	COURSE NAME: FUNDAMENTALS OF LOGISTICS MANAGEMENT
SESSION: JANUARY 2019	PAPER: THEORY
DURATION: 3 HOURS	MARKS: 100

SECOND OPPORTUNITY EXAMINATION QUESTION PAPER	
EXAMINER(S)	Ms. Gloria Tshoopara
MODERATOR:	Ms Hilma Kotti - Nuuyandja
INSTRUCTIONS	
<ol style="list-style-type: none">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

(34= marks)

Question 1

(17 X 2 marks =34 marks)

- 1.1 Organizational strategies should support. (2 marks)
- a) the firm's mission
 - b) functional strategies
 - c) the firm's tactics
 - d) operational procedures
 - e) the firm's employees
- 1.2 If inputs decrease while output remains constant, what will happen to productivity? (2 marks)
- a) It will increase.
 - b) It will decrease.
 - c) It will remain the same.
 - d) It is impossible to tell.
 - e) It depends on which input decreases
- 1.3 Cooperative supply chain relationships developed to enhance the overall business performance of both parties is a definition of: (2 marks)
- a) third-party logistics
 - b) supply chain collaboration
 - c) dovetailing
 - d) relationship marketing
- 1.4 Which one of these reflects an internal failure cost? (2 marks)
- a) inspection
 - b) rework
 - c) liability claim
 - d) customer complaint
 - e) replacement of defective products
- 1.5 The term "80-20 rule" is most closely associated with: (2 marks)
- a) Control charts
 - b) Pareto analysis
 - c) AB Analysis
 - d) Brainstorming
 - e) Histograms
- 1.6 Inventory turnover can be calculated by: (2 marks)
- a) adding beginning and ending inventory; divide by two
 - b) dividing the cost of goods sold by average inventory
 - c) dividing average inventory by the cost of goods sold
 - d) multiplying average inventory by 1.5
 - e) none of the above

- 1.7 Inventory shrinkage: (2 marks)
- a) is another name for inventory turnover
 - b) refers to the fact that more items are recorded entering than leaving warehousing facilities
 - c) refers to situations where the size and/or volume of inventory is decreased over time
 - d) refers to a technique of stabilizing unit loads by using shrink wrap packaging
- 1.8 ____ compares a customer's actual experience with the expected experience.
- a) customer satisfaction
 - b) customer service
 - c) customer loyalty
 - d) order management
- 1.9 Warehouses 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
- 1.10 Throughput refers to: (2 marks)
- a) storage capacity of a warehousing facility
 - b) volume through a pipeline
 - c) inventory turnover in a one-month period
 - d) amount of product entering and leaving a facility in a given time period
- 1.11 Bonded storage in a public warehouse refers to: (2 marks)
- a) products being stored in a public warehouse and no duties or taxes paid until the products leave the facility
 - b) products that are insured by a general warranty bond
 - c) products that are bonded as required in the order specifications
 - d) products that are subjected to regular inspections
 - e) none of the above
- 1.12 The major factors influencing locational decisions are ____ and____. (2 marks)
- a) markets; resource availability
 - b) labor; transport services
 - c) markets; labor
 - d) transport services; resource availability
 - e) none of the above
- 1.13 Which of the following is not a general function of packaging? (2 marks)
- a) to promote
 - b) to protect
 - c) to facilitate product handling
 - d) to identify (label)
 - e) all are general functions

1.14 Which forecasting techniques tends to be appropriate when there is little or no historical data? (2 marks)

- a) exponential smoothing
- b) judgmental
- c) time series
- d) cause and effect

1.15 Each of the following is a component of inventory carrying cost except: (2 marks)

- a) storage cost
- b) accounting cost
- c) shrinkage cost
- d) interest cost
- e) all are components

1.16 ____ recognizes that all inventories are not of equal value to a firm and thus all inventories should not be managed in the same way.

- a) Vendor-managed inventory
- b) Suboptimization
- c) Marginal analysis
- d) ABC analysis

1.17 Which of the following statements about JIT is false?

- a) the JIT concept started in Japan
- b) organizations should give careful consideration before adopting a JIT philosophy
- c) the JIT approach views inventory as waste
- d) trucking is an important mode of transportation in JIT systems
- e) all are true

Sub-total: 34 marks

SECTION B

(66= marks)

QUESTION 2

Discuss the 4Rs identified by Christopher as the basis for successful logistics and supply chain management in a new economy? (20 marks)

QUESTION 3

3.1 List five (5) various reasons why businesses on different levels in the supply chain will hold inventory? (10 marks)

3.2 List any 8 business logistics activities (16 marks)

QUESTION 2

What costs are incurred by holding stock? Some organisations try to reduce stocks by making to order, or guaranteeing delivery within a specified period. Do such methods really reduce inventory costs? (20 marks)

THE END

