



**NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY**

**FACULTY OF COMMERCE, HUMAN SCIENCE AND EDUCATION
DEPARTMENT OF MARKETING, LOGISTICS AND SPORTS MANAGEMENT**

QUALIFICATION : BACHELOR OF TRANSPORT MANAGEMENT & BACHELOR OF LOGISTICS AND SUPPLY CHAIN MANAGEMENT	
QUALIFICATION CODE: 07BTRA & 07BLSC	LEVEL: 6
COURSE CODE: FSM621S	COURSE NAME: FORWARDING AND SHIPPING MANAGEMENT
SESSION: NOVEMBER 2022	PAPER: THEORY
DURATION: 3 HOURS	MARKS: 100

FIRST OPPORTUNITY EXAMINATION PAPER	
EXAMINER(S)	Mr. JACINTO SILVA (PM) Ms. ESTER JESAYA (FM) Ms. EMILIA SALOMO (DI)
MODERATOR:	Ms. SELMA KAMBONDE

INSTRUCTIONS
1. Answer ALL the questions 2. Read all the questions carefully before answering. 3. Number the answers clearly

THIS QUESTION PAPER CONSISTS OF 7 PAGES (Including this front page)

QUESTION 1

Multiple Choice Questions [1*25 = 25 Marks]

Choose the correct answer for the below.

1. The Namibia Revenue Agency (NamRA) charges customs duty based on the value of the goods imported in the country, this practice is called?
 - A. Ad Valorem
 - B. ASYCUDA
 - C. SAD500
 - D. None of the above
2. Which of the following is NOT a risk in ocean shipping?
 - A. Sinking
 - B. Jettison
 - C. Hijacking
 - D. None of the Mentioned
3. Which of the below is a composition of a transport network?
 - A. Terminals and connections
 - B. Links and connections
 - C. Nodes and connections
 - D. None of the mentioned
4. A client is shipping clothes using air transport. Upon booking the freight space, DHL informed him that the consignment is charged according to a dimensional weight 3,975, the actual weight is 1700 pounds. Which of the following is not a reason why the dimensional weight is set high?
 - A. To penalize those who ship light cartons
 - B. To make sure that the shippers pay for an inefficient use of space
 - C. To ensure plane's capacity in terms of weight is entirely paid for.
 - D. None of the mentioned
5. Which of the below has a similar role to that of a non-vessel operating in ocean freight.
 - A. Forwarder; exporter
 - B. Forwarder; carrier
 - C. Consolidator; exporter
 - D. Consolidator; Carrier
6. Which of the following serves the same purpose as an air waybill?
 - A. Air consignment note
 - B. Air consignees note
 - C. Air carrier's note
 - D. None of the mentioned
7. Bill of lading is issued by the
 - A. Captain of the vessel
 - B. Shipping company
 - C. Customs authority
 - D. Consignor
8. Which of the following statements best describes a general average loss:
 - A. Goods are totally damaged
 - B. Goods are subjected to constructive total loss
 - C. Goods are sacrificed as part of cargo owner's contributing for the general loss of others
 - D. None of the mentioned
9. Which of the following are the two types of marine cargo insurance policy:
 - A. Perils-only policy and all risks policy
 - B. Perils-only policy and marine-risk policy
 - C. Marine-risk policy and all-risks policy
 - D. Marine-risk policy and perils-only policy
10. Today's integration of the world economy is driven by advances in _____, _____ and _____ to reduce obstacles to the flow of trade and capital.
 - A. Communications, trade agreement, and government's policy.
 - B. .Communications, information technology and trade agreements
 - C. Communications, information technology, and governments policy
 - D. Trade agreements, information technology, and government's policy
11. What main benefits does a shipowner obtain by having a general average absorption clause in his hull policy?
 - A. He can recover general average sacrifice without incurring the deductible.
 - B. His general average contributions are a separate limit of cover.
 - C. He can recover the total general average sacrifice subject to an agreed limit.

- D. It offers a reduction in premium as the shipowner is taking more risk himself.
- 12. How often are Incoterms revised to represent contemporary commercial practice?**
- Every 2 years
 - Every 5 years
 - Every 7 years
 - Every 10 years
- 13. What is the main task of customs within the maritime industry?**
- Collecting and safeguarding customs duties and for controlling the flow of goods including animals, personal effects, and hazardous items in and out of a country.
 - Documents verification
 - Check if the goods are stolen or not safe
 - The protection of the goods on the frontiers
- 14. A commercial invoice is issued by_____.**
- Exporter
 - Exporter's bank
 - Importer
 - Importers bank
- 15. Which of the following Incoterms is best described by a scenario where the seller undertakes to place the goods on board the ship designated by the buyer.**
- FAS
 - CIS
 - FOB
 - CIP
- 16. Which of the following statement is a characteristic of Group E terms:**
- Risk is not Transferred to the buyer if damage or loss is attributed to the failure of delivery
 - Risk is not transferred to the seller if damage or loss is attributed to the failure of delivery
 - The seller bears all risks and charges pertaining to pre-shipment inspection, export/import licenses, and customs duties needed for exploration.
 - All of the mentioned
- 17. Select which is the reason why Namibia trades with other nations**
- Trading increases the opportunity for Namibia to accumulate wealth.
 - Some nations prefer to produce one thing while others produce other things.
 - Some goods are cheaper in some nations compared to others.
 - Resources are not equally distributed among all trading nations.
- 18. The agreement between the charterer and the shipowner in respect of the chartering of a ship is called the _____**
- Charter register
 - Charter party
 - Charter agreement
 - Charter contract
- 19. The destination of the load/where the load is delivered, is known as_____?**
- Shipper
 - Carrier
 - Consignee
 - Customer
- 20. What is the other term for international commercial term?**
- Ecommterm
 - Netterm
 - Ecoterm
 - Incoterm
- 21. A tariff is**
- A tax on imports only
 - A tax on exports only
 - A tax on either imports or exports
 - A luxury tax
- 22. Which of the following International Organization has designed and developed the Harmonized Commodity Description and Coding System?**
- World Customs Organization
 - World Trade Organization
 - International Customs Organization
 - United Nations Customs Organization
- 23. The HS Coding System is subjected to revision periodically after how many years?**
- Five
 - Ten years
 - Never revised
 - Two years
 - Every year

24. Documentary drafts require various shipping documents such as _____?
- A. Bills of lading
 - B. Insurance certificates
 - C. Commercial invoices
 - D. All of the above
25. Which of the following is not true of a letter of credit?
- A. It is a document
 - B. Issued by a bank
 - C. At the request of the exporter
 - D. The bank agrees to honor a draft drawn on the importer

Sub-total: 25 Marks

QUESTION 2

True or False Questions

[1*15 = 15 Marks]

- 2.1. A quota is a tax levied against a specific good being imported into a country
- 2.2. One of the responsibilities the exporter has is to ensure that the goods are cleared with customs in the destination country
- 2.3. One of the advantages of shipping goods by truck is that the truck can deliver your good door to door and the client may receive their goods at their warehouse via truck
- 2.4. Freight forwarders have close co-operation with transporters in every mode which include road, rail, sea, and air multi-modal and intermodal modes of transportation
- 2.5. The majority of air cargo moves on passenger carrying planes.
- 2.6. A policy under which cargo is insured for specific voyage is called voyage policy
- 2.7. A marine policy which is taken for a fixed period is time policy
- 2.8. Feeder ports are large regional ports, with high volumes of direct large vessels which also serves the smaller regional ports by transshipping containers.
- 2.9. Express consignment air carriers are flights hired by a shipper or freight forwarder for specific trips.
- 2.10. The free flow of goods is dependent primarily on the availability of transport documents
- 2.11. A wager policy is suitable for ship owner having only one vessel or having a vessel in different fleets. The single vessel policy covers the risk of a vessel of the insured.
- 2.12. A company has insurable interests in cargo when loss or damage to it would cause the Company to suffer a financial loss or certain other kinds of losses
- 2.13. Vessel traffic, truck visit time, and timelessness are key operational indicators of port Management
- 2.14. A commercial invoice is a written pledge of payment, where an exporter requires the Importer to pay a certain amount to a named person or bearer.
- 2.15. A certificate of origin is the main document required by the Customs Authority for Allowing shipment.

Sub-total: 15 Marks

QUESTION 3

Match below the concepts with statements that best defines/describe them? [10 Marks]

e.g., 1. Custom duties- B

Concepts/ organization	Statements
1. Customs duties	a) Multipurpose vessel that can handle different types of commodities and load types. These vessels are likely to have their own cranes for loading and unloading cargo.
2. Charter services	b) Represent, promote, and protect the interests of the industry by participating as advisors or experts in meetings of international bodies dealing with transportation.
3. Sight draft	c) A financial instrument that ensures that the exporter gets paid and the importer receives the goods as expected.

4. WTO	d) A payment term used when the exporter wishes to retain title to the shipment until it reaches its destination and payment is made.
5. FIATA	e) When customs determine value of shipment based on price for identical or similar goods sold within 90 days of importation.
6. Break-bulk ships	f) Customs decide the value of the goods based on the value of similar goods imported in a similar quantity into the same country.
7. Comparative method	g) An indirect tariff imposed on imports goods when transported across borders.
8. Combination ships	h) Assist producers of goods and services, exporters, and importers conduct their business with different nations.
9. Letter of credit	i) Multipurpose vessels that are capable of transporting shipments of unusual sizes, unitized on pallets, in bags or in cranes. They tend to be labour intensive due to loading, unloading and load securing processes.
10. Deductive method	j) Provided by ships that are hired for a specific voyage or specified time.

Sub-total: 10 Marks

STRUCTURED QUESTIONS

QUESTION 4

4.1. Port Operations

[15 Marks]

As part of its National Developmental goals, Namibia has identified logistics has a priority area and intends to be the regional logistics hub. The envisaged logistics hub is driven by the fact that Namibia is strategically located to address the trade needs of neighbouring landlocked countries. The focus of the government of Namibia has since been to invest in the supply of transport infrastructure to cater for the envisaged demand that would derive from the Namibia logistics hub project. As a result, the Port of Walvisbay's Bay container terminal was expanded. You were recently hired as an advisor to the works and transport minister and entrusted to ensure that the Port of Walvis Bay attains the logistics hub status within the envisaged timeframe. ***As the Advisor elaborate with examples any three (3) operational performance indicators that you will use to evaluate the current operational status quo of the Port of Walvis Bay.***

4.2. Customs Procedures

[15 Marks]

XYZ Enterprises is importing electronic goods from Argentina to Namibia, having a value of N\$ 15,000.00. He will also pay a freight cost of N\$ 3,000.00 to the goods from Brazil to Windhoek, Namibia. According to the Harmonised System, this transaction attracts customs duty of 30%. The import tax currently charged by Namibia is 16.5%.

A) Calculate the total cost of this transaction

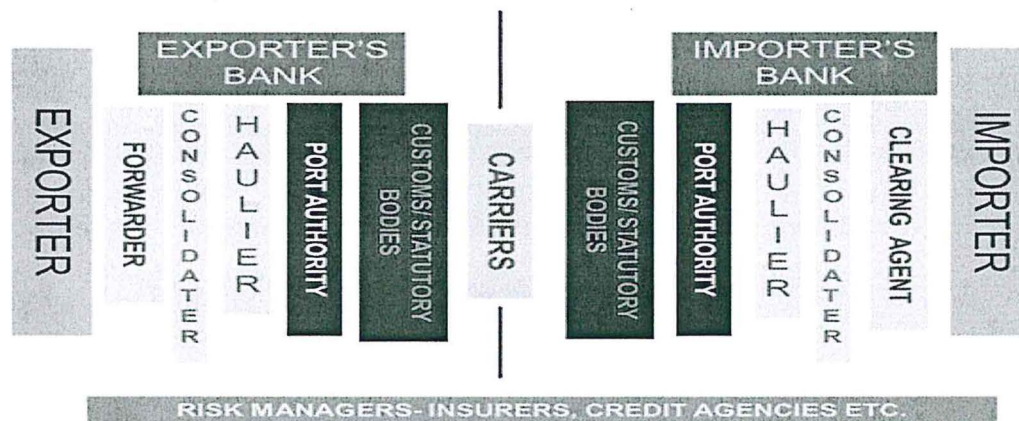
[5 Marks]

- B) The customer just realised that South Africa is offering the same electronic goods that he wants to import to Namibia at the value of N\$ 18,500.00, and the transaction has incoterm DDP. Calculate the savings or extra costs to be incurred if the customer decides to buy goods from South Africa? **[5 Marks]**
- C) Advice which supplier should be considered by the customer based on the information provided above and why? **[5 Marks]**

4.3. Transport Documents

[20 marks]

Review the Sea Freight Process Flow Chart below – Related to the Fishing Industry and describe in your view the main activities of any four (4) key ROLE PLAYERS involved in the flow process during exporting and importing and explain what documentation must be submitted by each role player?



Source: GMLS

Sub-total: 50 Marks
Grand Total: 100 Marks

END OF QUESTION PAPER