NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY

FACULTY OF COMMERCE; HUMAN SCIENCES AND EDUCATION

HAROLD PUPKEWITZ GRADUATE SCHOOL OF BUSINESS

QUALIFICATION: DIPLOMA IN BUSINESS PROCESS MANAGEMENT	
QUALIFICATION CODE: 06DBPM	**LEVEL: 6**
COURSE CODE: FLM511C	**COURSE NAME:** FUNDAMENTAL OF LOGISTICS MANAGEMENT
SESSION: JANUARY 2024	**PAPER:** THEORY
DURATION: 3 HOURS	**MARKS:** 100

2ND OPPORTUNITY EXAMINATION QUESTION PAPER	
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INSTRUCTIONS	

THIS QUESTION PAPER CONSISTS OF 10 PAGES (Including this front page)

SECTION A

QUESTION 1 **2 MARKS X 11 = 22 MARKS**

1. **Why would a company that deals with high turnover products choose to implement cross-docking over traditional warehousing?**
   A. To maximise storage time and reduce shipping costs
   B. To minimise handling time and reduce overall inventory costs by moving goods quickly through the supply chain
   C. To optimise space utilisation by increasing storage capacity
   D. To improve security by reducing inventory visibility

2. **What is the primary advantage of using a just-in-time (JIT) strategy in conjunction with a centralised distribution centre?**
   A. Ability to hold significant amounts of safety stock
   B. Lower overall inventory levels and reduced storage costs
   C. Increased reliance on long-term storage for stable supply
   D. Higher lead times due to the centralised nature of the warehouse

3. **Which of the following best explains why a business might choose a public warehouse over a private warehouse during the early stages of operation?**
   A. The need for long-term control over inventory handling
   B. The requirement for integrating the warehouse with internal manufacturing systems
   C. The desire to minimise upfront capital expenditure and leverage flexibility for short-term contracts
   D. The necessity to maintain complete operational oversight for regulatory compliance

4. **Which of the following would most likely cause inefficiencies in a highly automated warehouse?**
   A. Constantly fluctuating demand for inventory
   B. Use of real-time data and predictive analytics
   C. Inadequate warehouse layout planning for robot accessibility
   D. Low-level integration with warehouse management software (WMS)

5. **In which of the following scenarios would cross-docking be most beneficial?**
   A. When there is a need to store large quantities of goods in a central location.
   B. When transportation costs are fixed and do not fluctuate.
   C. When inventory holding costs are not a significant concern.
   D. When products need to be delivered quickly without long storage times.

6. **What is the most significant advantage of using third-party logistics (3PL) providers?**
   A. Complete control over all transportation activities.
   B. In-house expertise in route optimisation and network design.
   C. Full responsibility for transportation risks.
   D. Reduced capital investment in transportation assets.

7. **Which of the following best explains why lean supply chains might face increased risks during supply chain disruptions?**
   A. Lean supply chains maintain high levels of safety stock, which can lead to waste.
   B. Lean supply chains often rely on single-source suppliers and minimal inventory, which reduces flexibility during disruptions.
   C. Lean supply chains focus on rapid production scaling, which increases the complexity of demand forecasting.
   D. Lean supply chains primarily focus on agility, reducing their capacity for stable production.

8. **What is a key benefit of integrating an agile supply chain strategy in industries with high product innovation and short product life cycles?**
   A. Lower inventory carrying costs by reducing the frequency of product updates.
   B. Increased production efficiency through standardisation.
   C. Ability to quickly respond to rapid changes in demand and market trends.
   D. Reduction in supply chain complexity by using long-term demand forecasting.

9. **Why would a company with a highly diverse product portfolio benefit more from an agile supply chain strategy than a lean strategy?**
   A. Lean strategies are better suited to standardised products with stable demand, while agile strategies are more flexible for varying demand.
   B. Agile strategies rely on high inventory levels, which is ideal for a diverse product range.
   C. Lean strategies are not cost-effective for companies producing various products.
   D. Agile strategies eliminate the need for collaboration with suppliers, allowing for faster production.

10. **In a hybrid push-pull strategy, what is the most significant benefit of applying the pull system at the point closest to the customer?**
    A. Minimisation of finished goods inventory across the supply chain
    B. Ability to customise products based on real-time customer demand
    C. Improved economies of scale in production and procurement
    D. Increased lead time for customer order fulfilment

11. **Which of the following would be the most appropriate supply chain strategy for a company that manufactures highly seasonal products with fluctuating demand?**
    A. Lean strategy focused on waste elimination and standardisation
    B. Push strategy to build up inventory in anticipation of high demand
    C. Agile strategy to quickly adapt production based on real-time demand signals
    D. Hybrid strategy that combines elements of both push and pull based on the stage of the supply chain

SUBTOTAL: 22 MARKS

QUESTION 2 **2 MARKS X = 18 MARKS**

FILL IN THE MISSING WORD

a) One major challenge of a lean supply chain is it's limited __________ in responding to sudden spikes in demand.

b) In a __________ supply chain strategy, the company maintains minimal inventory and focuses on continuous improvement to reduce waste.
Answer: **Lean**

c) The __________ effect refers to the amplification of demand fluctuations as they move up the supply chain, often seen in push-based systems.

d) A __________ supply chain relies on strong supplier collaboration to quickly adapt to changes and ensure responsiveness.
Answer: agile

e) __________ logistics focuses on minimising environmental impact by reducing emissions, waste, and energy use in supply chain activities.

f) The process of grouping products together to facilitate handling and shipping is known as __________.

g) __________ logistics refers to the coordination and integration of the supply chain across multiple countries or regions.

h) The process of delivering goods from a supplier or warehouse to the final customer is called __________.

i) A common technique in inventory management where older stock is sold before newer stock is called __________.

SUBTOTAL: 18 MARKS

SECTION B

QUESTION 3

Critically assess the role of logistics management in achieving competitive advantage. How do effective logistics strategies contribute to cost reduction, customer satisfaction, and overall business success? **[20 marks]**

QUESTION 4

Discuss the trade-offs between holding costs and stock-out costs in inventory management. Analyse how these trade-offs influence inventory management strategies, particularly in high-demand industries, and suggest methods for balancing them. **[20 marks]**

QUESTION 5

Discuss the importance of transport infrastructure in developing economies. How do transportation systems and infrastructure investment impact economic growth and supply chain development in emerging markets? **[20 marks]**

TOTAL: 100 MARKS