



**FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION**

**HAROLD PUPKEWITZ GRADUATE SCHOOL OF BUSINESS**

<b>QUALIFICATION: DIPLOMA IN BUSINESS PROCESS MANAGEMENT</b>	
<b>QUALIFICATION CODE: 06DBPM</b>	<b>LEVEL: 6</b>
<b>COURSE CODE: OLM611C</b>	<b>COURSE NAME: OPERATIONAL LOGISTICS MANAGEMENT</b>
<b>SESSION: JULY 2023</b>	<b>PAPER: PAPER 1</b>
<b>DURATION: 3 HOURS</b>	<b>MARKS: 100</b>

<b>SECOND OPPORTUNITY EXAMINATION MEMORANDUM</b>	
<b>EXAMINER(S)</b>	<b>Ms. G. Tshoopara</b>
<b>MODERATOR:</b>	<b>Ms. H. Nuuyandja</b>

<b>INSTRUCTIONS</b>
<ol style="list-style-type: none"><li>1. Answer ALL the questions.</li><li>2. Write clearly and neatly.</li><li>3. Number the answers clearly.</li></ol>

**PERMISSIBLE MATERIALS**

- a) Examination paper
- b) Examination script

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

## SECTION A

### QUESTION 1

1.1 Which of the following is an example of a pull-based supply chain? **[2 marks]**

- a) A grocery store that restocks its shelves based on customer demand
- b) A factory that produces goods in large batches based on a forecasted demand
- c) A retailer that replenishes inventory based on a fixed reorder quantity
- d) A distributor that holds large inventories of products to ensure availability

1.2 Which of the following is NOT a characteristic of a lean supply chain? **[2 marks]**

- a) High levels of inventory
- b) Minimised waste and excess
- c) Just-in-time delivery
- d) Continuous improvement

1.3 What is the purpose of a service level agreement (SLA) in logistics? **[2 marks]**

- a) To ensure compliance with legal regulations
- b) To specify the quality of service that will be provided to customers
- c) To define the roles and responsibilities of logistics service providers
- d) To establish pricing and payment terms for logistics services

1.4 What is the purpose of a warehouse management system (WMS)? **[2 marks]**

- a) To manage transportation routes and schedules
- b) To track inventory levels and locations in a warehouse
- c) To optimise warehouse layouts and storage capacity
- d) To manage the hiring and training of warehouse personnel

1.5 What is the purpose of a freight forwarder in logistics? **[2 marks]**

- a) To manage warehouse operations
- b) To provide transportation services to customers
- c) To facilitate customs clearance and documentation for international shipments
- d) To manage inventory levels for customers

1.6 Which of the following is a characteristic of a push-based supply chain? **[2 marks]**

- a) High levels of flexibility
- b) Emphasis on cost reduction
- c) High levels of inventory
- d) Rapid response to customer demand changes

1.7 Which of the following is a characteristic of a responsive supply chain? **[2 marks]**

- a) High levels of inventory
- b) Low levels of flexibility
- c) Emphasis on cost reduction
- d) Rapid response to customer demand changes

1.8 Which of the following is NOT a major factor affecting the production schedule? **[2 marks]**

- a) Equipment availability
- b) Labour availability
- c) Material availability
- d) Customer demand
- e) Product design

1.9 Which of the following is an example of a primary activity in the value chain for a software company? **[2 marks]**

- a) Inbound logistics
- b) Marketing and sales
- c) Procurement
- d) Human resource management

1.10 Which of the following activities is part of the support activities in the value chain? **[2 marks]**

- a) Marketing and sales
- b) Procurement
- c) Operations
- d) Outbound logistics

1.11 Which of the following is a potential drawback of manual material handling? **[2 marks]**

- a) Reduced employee safety
- b) Increased efficiency
- c) Lowered inventory accuracy
- d) Increase employee's accuracy

1.12 What is the difference between absolute advantage and comparative advantage? **[2 marks]**

- a) Absolute advantage refers to the ability of a country to produce a good more efficiently than another country, while comparative advantage refers to the ability to produce a good at a lower opportunity cost.
- b) Absolute advantage refers to the ability of a country to produce a good at a lower opportunity cost than another country, while comparative advantage refers to the ability to produce a good more efficiently.
- c) Absolute advantage and comparative advantage are the same thing.

d) Absolute advantage refers to the ability of a country to produce a good using the most advanced technology available, while comparative advantage refers to the ability to produce a good using the least amount of resources.

1.13 What is the purpose of a trade barrier?

**[2 marks]**

- a) To promote free trade among countries
- b) To protect domestic industries from foreign competition
- c) To lower the prices of imported goods
- d) To increase competition among countries

1.14 Which of the following is a necessary condition for a country to have an absolute advantage in producing a good?

**[2 marks]**

- a) The country has a lower opportunity cost of producing the good than other countries.
- b) The country has access to abundant natural resources necessary for producing the good.
- c) The country has a highly skilled workforce specialised in producing the good.
- d) The country has a large domestic market for the good.

1.15 Which of the following is an implication of a country having a comparative advantage in producing a good?

**[2 marks]**

- a) The country should specialise completely in producing that good and stop producing all other goods.
- b) The country should produce only enough of that good to meet its domestic needs and stop exporting it.
- c) The country should specialise partially in producing that good and trade with other countries for goods it does not produce efficiently.
- d) The country should impose tariffs and quotas on imports of that good to protect its domestic industries.

1.16 Which of the following is NOT a benefit of implementing a warehouse management system (WMS)?

**[2 marks]**

- a) Improved inventory accuracy
- b) Increased productivity
- c) Decreased order fulfilment accuracy
- d) Improved customer satisfaction

1.17 Which of the following is a limitation of the theory of absolute advantage?

**[2 marks]**

- a) It assumes that there are no barriers to trade between countries.
- b) It assumes that labour and capital are perfectly mobile between industries.
- c) It assumes that countries produce only two goods.
- d) It does not account for differences in the quality of goods produced by different countries.

1.18 Which of the following is a necessary condition for a country to have a comparative advantage in producing a good? **[2 marks]**

- a) The country has a lower opportunity cost of producing the good than other countries.
- b) The country has access to abundant natural resources necessary for producing the good.
- c) The country has a highly skilled workforce specialised in producing the good.
- d) The country has a large domestic market for the good.

1.19 Which of the following is a limitation of the theory of comparative advantage? **[2 marks]**

- a) It assumes that there are no barriers to trade between countries.
- b) It assumes that labour and capital are perfectly mobile between industries.
- c) It assumes that countries produce only two goods.
- d) It does not account for differences in the quality of goods produced by different countries.

1.20 What is the primary advantage of just-in-time (JIT) inventory management? **[2 marks]**

- a) Reducing the risk of stockouts
- b) Minimising inventory holding costs
- c) Maximising production efficiency
- d) Improving customer service levels

**Sub-Total: 40 Marks**

## **SECTION B**

### **QUESTION 2**

How does packaging affect the environmental sustainability of the transportation and logistics industry, and what steps can companies take to minimise their environmental impact? **[20 MARKS]**

### **QUESTION 3**

How can supply chain transparency improve sustainable procurement in the transportation and logistics industry, and what are the challenges associated with achieving supply chain transparency? **[20 MARKS]**

### **QUESTION 4**

What are some of the key factors that businesses need to consider when selecting a transportation mode for their products? How can they balance factors such as cost, speed, and environmental impact to make the best decision for their specific needs? **[20 MARKS]**

**Sub-Total: 60 Marks**

**Total: 100 Marks**