



**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: NOVEMBER 2023	PAPER: THEORY
DURATION: 3 HOURS	MARKS: 100

FIRST OPPORTUNITY EXAMINATION PAPER	
EXAMINER(S)	Ms. Gloria Tshoopara
MODERATOR:	Ms Hilma Kotti-Nuuyandja

INSTRUCTIONS
<ol style="list-style-type: none">1. Answer All questions2. Write neatly and clearly3. Write e.g 20 facts for 20 points allocated per question OR Consider the marks allocated per question to determine the appropriate length of your response.

THIS MEMORANDUM PAPER CONSISTS OF 4 PAGES (Including this front page)

MULTIPLE CHOICE QUESTION

QUESTION 1

1. Which type of inventory costs can be challenging to estimate accurately due to factors such as obsolescence and changes in market conditions? **(2 marks)**
 - a) Holding costs
 - b) Ordering costs
 - c) Shortage costs
 - d) Transportation costs

2. Which of the following is a primary reason companies choose to outsource certain business functions? **(2 marks)**
 - a) To increase in-house expertise
 - b) To reduce costs and focus on core competencies
 - c) To centralise decision-making
 - d) To expand their product portfolio

3. What is the primary objective of "strategic inventory management" in supply chain strategy? **(2 marks)**
 - a) Maximising order frequency
 - b) Minimising holding costs
 - c) Balancing supply and demand
 - d) Achieving competitive advantage through inventory optimisation

4. Warehouses emphasise _____, and their primary purpose is to maximise? **(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

5. Which of the following is a primary advantage of the Just-In-Time (JIT) inventory system? **(2 marks)**
 - a) High safety stock levels
 - b) Low holding costs
 - c) Minimal supplier relationships
 - d) Reduced order frequency

6. The objectives of purchasing include: **(2 marks)**
 - a) Obtaining the goods and services at the highest price
 - b) Ensuring the best possible service and prompt delivery by the supplier
 - c) Obtaining goods and services of the lowest quality
 - d) Obtaining goods and services at any quantity

7. What is the primary advantage of using the Just-In-Time (JIT) inventory system?
- a) High safety stock levels
 - c) Minimal warehouse space requirements
 - b) Low-order frequency
 - d) Increased lead times
8. ____ 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
9. The total logistics cost includes expenses associated with transportation, material handling and: **(2 marks)**
- a) Customer complaints, cost of food and highway usage taxes
 - b) Warehousing, inventory, stock-outs and order processing
 - c) Inventory control with sales forecasting
 - d) Stock outage control with sales forecasting
 - e) Historical figures weighted by last year's numbers
10. What is the fundamental difference between logistics and supply chain management? **(2 marks)**
- a) One is more concerned with the distribution of manufactured goods
 - b) Supply chain management is more concerned with outbound logistics
 - c) Logistics is more concerned with transport
 - d) Logistics includes internal storage and movement of materials
11. All of the following are suggestions for dealing with dead stock (inventory), except: **(2 marks)**
- a) aggressive marketing
 - b) donate to charities
 - c) make to stock
 - d) throwing it away
 - e) all are suggestions
12. What is the fundamental difference between logistics and supply chain management? **(2 marks)**
- a) One is more concerned with the distribution of manufactured goods
 - b) Supply chain management is more concerned with outbound logistics
 - c) Logistics is more concerned with transport
 - d) Logistics includes internal storage and movement of materials

Sub-total: (24 marks)

QUESTION 2

Complete the following sentences

ANSWERS

2.1 In _____, the term _____ refers to the total time it takes for a product to move from the supplier to the customer, including order processing, manufacturing, and transportation time.

(4 marks)

2.2 Effective _____ is essential for minimising carrying costs and ensuring products are available when needed.

(2 marks)

2.3 Effective _____ enables companies to track the movement of goods in real-time and promptly respond to any _____.

(4 marks)

2.4 _____ is integral to logistics, as companies must anticipate and mitigate potential disruptions such as natural disasters, strikes, and supply chain _____

(4 marks)

2.5 A well-designed _____ can optimise the flow of products and reduce transportation and _____.

(2 marks)

Sub-total: (16 marks)

QUESTION 3

Analyse the significance of transportation in logistics. Discuss the various transportation modes (road, rail, air, sea, pipeline) and their suitability in different logistics contexts. Provide real-world examples of companies that have leveraged innovative transportation solutions to enhance their logistics efficiency.

(20 marks)

QUESTION 4

Delve into the complexities of inventory management within logistics. Explain the concept of just-in-time inventory versus safety stock and discuss the trade-offs between the two. Share case studies of organisations that have successfully managed their inventory to meet customer demands while minimising carrying costs.

(20 marks)

QUESTION 5

Discuss the common challenges faced by logistics managers in today's globalised and rapidly changing business environment. Explore how increasing transportation costs, supply chain disruptions, and demand forecasting accuracy impact logistics decision-making.

(20 marks)

TOTAL = 100 MARKS