



NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY

FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION

DEPARTMENT OF MARKETING, LOGISTICS AND SPORT MANAGEMENT

QUALIFICATION: BACHELOR OF TRANSPORT MANAGEMENT BACHELOR OF LOGISTICS AND SUPPLY CHAIN MANAGEMENT BACHELOR OF PROCUREMENT AND SUPPLY CHAIN MANAGEMENT	
QUALIFICATION CODE: 07BTRA 07BLSC 07BPSM	LEVEL: 6
COURSE CODE: FSM621S	COURSE NAME: FORWARDING AND SHIPPING MANAGEMENT
SESSION: JANUARY 2025	PAPER: THEORY
DURATION: 3 HOURS	MARKS: 100

SECOND OPPORTUNITY EXAMINATION QUESTION PAPER	
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INSTRUCTIONS
1. Answer ALL the questions. 2. Read all the questions carefully before answering. 3. Number the answers clearly.

THIS QUESTION PAPER CONSISTS OF _5_ PAGES (Including this front page)

SECTION A: SHORT ANSWER QUESTIONS**50 MARKS****QUESTION 1: MULTIPLE CHOICE****20 MARKS**

There are fourteen multiple-choice questions with several possible choices; choose the best possible answer, e.g., 1.1 A. **2x10 = 20 MARKS**

- 1. How does a 4PL provider typically create value for its clients?**
 - a) By providing cost-effective transportation solutions.
 - b) By leveraging technology to improve supply chain visibility and coordination.
 - c) By directly managing product manufacturing processes.
 - d) By reducing the need for warehousing services.

- 2. Which of the following statements about fourth-party logistics (4PL) is true?**
 - a) 4PL providers typically own and operate the physical assets used in logistics.
 - b) 4PL providers coordinate the services of 3PLs on behalf of their clients.
 - c) 4PL providers offer only transportation and warehousing services.
 - d) 4PL providers operate independently of 3PL services.

- 3. What is the primary difference between a 3PL and a 4PL provider?**
 - a) A 3PL focuses on transportation, while a 4PL focuses on warehousing.
 - b) A 3PL manages logistics operations, while a 4PL manages the entire supply chain and all associated services.
 - c) A 3PL offers software solutions, while a 4PL offers transportation services.
 - d) A 3PL provides customs clearance, while a 4PL does not.

- 4. Which of the following best defines a third-party logistics (3PL) provider?**
 - a) A company that manages the entire supply chain on behalf of the client.
 - b) A logistics provider that offers specialised services such as warehousing, transportation, and distribution.
 - c) A manufacturer who handles their logistics.
 - d) A software company providing logistics technology.

- 5. What does the term "TEU" stand for in sea freight forwarding?**
 - a) Transport Efficiency Unit
 - b) Twenty-foot Equivalent Unit
 - c) Total Export Unit
 - d) Transport Engagement Unit

- 6. Which of the following is the key advantage of air freight forwarding over other modes of transportation?**
 - a) Ability to transport bulk cargo at a low cost
 - b) Fastest transit times for international shipments
 - c) Best suited for heavy and oversized cargo
 - d) Least affected by adverse weather conditions

- 7. Which term refers to the maximum weight allowed on an aircraft for cargo?**

- a) Gross Weight
- b) Chargeable Weight
- c) Deadweight
- d) Payload

8. Goods are classified under the Harmonised System (HS) based on which of the following criteria?

- a) Country of origin and the name of the supplier
- b) Product type, material composition, and intended use
- c) Price of goods and packaging method
- d) Shipment date and transport mode

9. What is the main purpose of classifying goods into dutiable and duty-free categories?

- a) To assess whether the goods are eligible for export
- b) To ensure proper payment of taxes and duties at customs
- c) To organise goods by size and weight
- d) To determine the best shipping route for goods

10. What does the term "ad valorem" mean concerning the classification of goods?

- a) A fixed amount of duty applied to each unit of goods
- b) A duty rate based on the value of the goods
- c) A duty-free status granted to goods
- d) A classification code for perishable goods

QUESTION 2

True or False Questions

2X12 = 24 MARKS

- a) In the Free on Board (FOB) Incoterm, the buyer takes responsibility for the goods as soon as they are loaded onto the ship.
- b) Export licenses are required for all international shipments, regardless of the type of goods being shipped.
- c) The term "lead time" in shipping refers to the time it takes for goods to clear customs at the port of entry.
- d) Shipping containers are typically standardised to facilitate easier handling and transfer between different modes of transport.
- e) Marine insurance typically covers losses caused by perils such as fire, sinking, and storms.
- f) Piracy is considered a covered peril under most marine insurance policies.
- g) War and civil commotion are automatically covered under standard marine insurance policies.
- h) 'Particular Average' refers to a partial loss of cargo where only the cargo owner affected bears the cost of the damage.
- i) Hurricanes and typhoons are considered transportation perils in ocean shipping.
- j) Marine insurance typically covers delays in shipment due to port congestion or strikes.
- k) Cargo insurance is optional for shippers and does not need to be purchased if they are confident that no perils will occur.

- l) 'Jettison' is deliberately throwing cargo overboard to save the ship, and it is typically a covered peril in marine insurance.

Sub-total: 24 Marks

QUESTION 3: MATCHING

6 MARKS

Match the customs clearance process steps in Column A with their descriptions in Column B.

Column A: Customs Clearance Steps	Column B: Descriptions
1. Entry Filing	A. The goods are handed over to the importer after clearance requirements are completed and duty is paid.
2. Arrival	B. Determining whether goods are dutiable and the duty calculation based on tariff schedules.
3. Examination	C. Filing documents to determine if goods can be released and for duty assessment and statistical purposes.
4. Classification	D. Customs examines goods and documents to assess value, markings, contraband, and law compliance.
5. Taxation	E. Notification of customs office upon arriving and unloading goods; automated carriers may receive conditional release.
6. Release	F. Goods are classified under the international Harmonised Tariff Schedule (HTS) for duty and statistical purposes.

SECTION A TOTAL: 50 MARKS

SECTION B: CASE STUDY AND STRUCTURED QUESTIONS

50 MARKS

QUESTION 4: CASE STUDY

XYZ Corporation, a global consumer electronics manufacturer, is considering two transport options for shipping their products from their factory in Shenzhen, China, to their main distribution centre in Hamburg, Germany. The products must be delivered within a set timeframe, and cost-efficiency is also a key consideration.

Option 1: Multimodal Transport

In this option, XYZ Corporation will work with a single logistics provider overseeing the entire transport process. The shipment will move by sea from China to Rotterdam, then by rail to Hamburg, followed by truck delivery to the distribution centre. The logistics provider will handle all documentation and customs procedures under a single contract and bill of lading.

Option 2: Intermodal Transport

In this option, XYZ Corporation will coordinate with different service providers at each journey stage. The products will be transported by sea from China to Rotterdam, then transferred to a rail service from Rotterdam to Hamburg, and finally delivered by a trucking company. Separate

contracts will be required for each mode, and XYZ Corporation will need to manage the documentation and customs procedures independently for each stage.

Questions:

- a) Compare and contrast the benefits and disadvantages of multimodal and intermodal transport for XYZ Corporation's shipment. **14 MARKS**
- b) Discuss how each option would affect the following factors? **10 MARKS**
- c) Based on the comparison, recommend which option would be more suitable for XYZ Corporation and justify your recommendation. **6 MARKS**

SUB-TOTAL: 30 MARKS

QUESTION 5

12 MARKS

Discuss the role of ports in regional development.

QUESTION 6

8 MARKS

ABC Freight Forwarding, a Namibian freight forwarding company, was recently found guilty of submitting falsified customs documentation to avoid paying the correct duty on imported goods. The company's clearing and forwarding agent was also implicated in the offence. This fraudulent activity was discovered during a routine customs audit. As a result, the Customs Authority has initiated an investigation into the company's compliance history. Analyse the potential legal and financial consequences that ABC Freight Forwarding and its employees may face due to committing customs fraud.

SECTION B TOTAL: 50 MARKS

GRAND TOTAL: 100 MARKS

THE END

documentation and customs procedures independently for each stage.

Questions:

- a) Compare and contrast the benefits and disadvantages of multimodal and intermodal transport for XYZ Corporation's shipment. **14 MARKS**
- b) Discuss how each option would affect the following factors? **10 MARKS**
 - i. Cost-efficiency
 - ii. Time management
 - iii. Risk and liability
 - iv. Flexibility and control
 - v. Administrative complexity
- c) Based on the comparison, recommend which option would be more suitable for XYZ Corporation and justify your recommendation. **6 MARKS**

SUB-TOTAL: 30 MARKS

QUESTION 5

12 MARKS

Discuss the role of ports in regional development.

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THE END