



**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: NOVEMBER 2024	PAPER: THEORY
DURATION: 3 HOURS	MARKS: 100

1ST OPPORTUNITY EXAMINATION QUESTION PAPER	
EXAMINER(S)	Ms. Gloria Tshoopara
MODERATOR:	Ms Hilma Nuuyandja
INSTRUCTIONS	
<ol style="list-style-type: none">1. Answer ALL the questions.2. Write clearly and neatly.3. Number the answers clearly	

PERMISSIBLE MATERIALS

1. Examination paper
2. Examination script

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

SECTION A

QUESTION 1

2 MARKS X 10 = 20 MARKS

1.1 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 improve security by reducing inventory visibility
- C. To optimise space utilisation by increasing storage capacity
- D. To minimise handling time and reduce overall inventory costs by moving goods quickly through the supply chain

1.2 What is the primary advantage of using a just-in-time (JIT) strategy in conjunction with a centralised distribution centre?

- A. Lower overall inventory levels and reduced storage costs
- B. Ability to hold significant amounts of safety stock
- C. Increased reliance on long-term storage for stable supply
- D. Higher lead times due to the centralised nature of the warehouse

1.3 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 desire to minimise upfront capital expenditure and leverage flexibility for short-term contracts
- C. The requirement for integrating the warehouse with internal manufacturing systems
- D. The necessity to maintain complete operational oversight for regulatory compliance

1.4 Which of the following would most likely cause inefficiencies in a highly automated warehouse?

- A. Constantly fluctuating demand for inventory
- B. Inadequate warehouse layout planning for robot accessibility
- C. Use of real-time data and predictive analytics
- D. Low-level integration with warehouse management software (WMS)

1.5 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 products need to be delivered quickly without long storage times.
- C. When inventory holding costs are not a significant concern.
- D. When transportation costs are fixed and do not fluctuate.

1.6 Which of the following is the most significant advantage of using third-party logistics (3PL) providers?

- A. Complete control over all transportation activities.
- B. Full responsibility for transportation risks.
- C. Reduced capital investment in transportation assets.
- D. In-house expertise in route optimisation and network design.

1.7 Which of the following best describes the role of third-party logistics (3PL) providers in supply chains?

- A. To handle a company's entire supply chain management process, including transportation, warehousing, and distribution
- B. To manage in-house warehousing only
- C. To provide customer service and sales only
- D. To produce raw materials for manufacturing

1.8 Which of the following is a key factor in reducing lead times in supply chains?

- A. Lengthening the production cycle to improve quality
- B. Implementing demand-driven production schedules and optimising transportation routes
- C. Minimising supplier collaborations
- D. Increasing safety stock levels to compensate for long lead times

1.9 Which of the following is the most significant advantage of a demand-driven supply chain?

- A. Lower production costs through standardisation
- B. Improved responsiveness to real-time customer demand, leading to better inventory management and reduced stockouts
- C. Decreased focus on customer service
- D. Increased reliance on push-based manufacturing

1.10 In a highly integrated supply chain, what is the most significant challenge when balancing efficiency and flexibility across multiple tiers of suppliers, manufacturers, and distributors?

- A. Ensuring seamless data sharing while maintaining security and compliance across diverse global systems
- B. Increasing safety stock to prevent stockouts and disruptions
- C. Expanding the supplier base to reduce lead times for all products
- D. Minimising supplier involvement to reduce complexities in supply chain management

SUBTOTAL: 20 MARKS

QUESTION 2

2 MARKS X 10=20 MARKS

FILL IN THE MISSING WORD/S

- a) The use of multiple warehouses spread across different locations to ensure timely delivery and reduce shipping costs is referred to as _____ warehousing.
- b) _____ transport involves the shipment of goods by combining different modes of transportation, such as rail, road, and sea, without handling the goods themselves when changing modes.
- c) _____ is the process of tracking the movement of goods through the supply chain to ensure visibility and transparency for all stakeholders.
- d) The process of selecting the most cost-effective supplier based on quality, price, and reliability is known as _____.
- e) _____ warehousing refers to a system where products are stored temporarily in a shared facility used by multiple businesses to reduce costs.
- f) The transportation strategy that focuses on reducing the number of trips by consolidating shipments into larger loads is known as _____ shipping.
- g) _____ costs are incurred when there is insufficient stock to meet demand, leading to lost sales or production delays.
- h) In logistics, _____ refers to the process of splitting shipments into smaller quantities for delivery to multiple locations.
- i) _____ logistics focuses on achieving the lowest possible cost per unit moved while ensuring product safety and timely delivery.
- j) The _____ is the process in which a company negotiates directly with its suppliers to determine terms such as price, delivery schedule, and payment terms.

SUBTOTAL: 20 MARKS

QUESTION 3

Examine the effects of demand variability on inventory management. Discuss how **demand forecasting inaccuracies** can **impact inventory levels** and explore the strategies that can be employed to manage such variability. **[20 marks]**

QUESTION 4

Discuss the significance of reverse logistics in today's supply chains. What are the key challenges and benefits of implementing an effective reverse logistics system, and how does it impact environmental sustainability and profitability? **[20 marks]**

QUESTION 5

Discuss the impact of fuel price volatility on transportation costs and supply chain strategies. How do businesses mitigate the risks associated with fluctuating fuel prices, and what alternatives can be explored to reduce dependency on traditional fuel sources? **[20 marks]**

SUBTOTAL: 60 MARKS

TOTAL: 100 MARKS