



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

FIRST 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 14 multiple-choice questions with several possible choices; choose the best possible answer, e.g., 1.1 A.

2x10 = 20 MARKS

- 1. Which type of logistics provider would be most suitable for a company looking to outsource its entire supply chain management?**
 - a) 2PL
 - b) 3PL
 - c) 4PL
 - d) Freight forwarder

- 2. What is the role of a third-party logistics (3PL) provider in the supply chain?**
 - a) To control the supply chain, including procurement and demand planning.
 - b) To provide software solutions for transportation planning.
 - c) To act as a middleman between the manufacturer and retailer by providing logistics services such as transportation and warehousing.
 - d) To own all vehicles used in the logistics process.

- 3. Which of the following is NOT a service typically provided by a 4PL provider?**
 - a) Financial management and cost optimisation.
 - b) Managing relationships with multiple 3PL providers.
 - c) Owning and operating trucks and warehouses.
 - d) Strategic supply chain consulting and design.

- 4. Which of the following types of companies would most likely benefit from working with a 4PL provider?**
 - a) A small business with simple logistics needs.
 - b) A local retailer with only regional distribution needs.
 - c) A large multinational corporation with complex supply chain operations.
 - d) A company looking to invest in its own logistics infrastructure.

- 5. Which of the following is an advantage of sea freight forwarding?**
 - a) Fastest mode of transport for international shipments
 - b) Low cost for transporting heavy and bulk goods
 - c) Ability to deliver door-to-door faster than air freight
 - d) The best mode for urgent and perishable goods

- 6. Which document is essential in sea freight forwarding to serve as evidence of the contract of carriage?**
 - a) Airway Bill
 - b) Bill of Lading
 - c) Packing List
 - d) Delivery Order

7. Which term describes the process where multiple shipments are combined into a single container for sea transport?

- a) Demurrage
- b) Consolidation
- c) Detention
- d) Transhipment

8. What is the purpose of classifying goods under the Harmonised Tariff Schedule (HTS)?

- a) To determine the country of origin for goods
- b) To establish the duty rates and taxes applicable to imported goods
- c) To determine the delivery method for goods
- d) To identify the packaging standards for international shipments

9. Which of the following best describes the Harmonised System (HS) code?

- a) A 6 to 10-digit code used globally to classify goods for customs purposes
- b) A code used by freight forwarders to track shipments in transit
- c) A code indicating the weight and size of goods
- d) A code used to assess the safety standards of goods for export

10. Which international body is responsible for maintaining the Harmonised System (HS) of classifying goods?

- a) World Customs Organization
- b) World Trade Organization
- c) International Maritime Organization
- d) United Nations

SUB-TOTAL: 20 MARKS

QUESTION 2: TRUE/ FALSE

22 MARKS

State whether the following statements are true or false.

2 X 11 = 22 MARKS

- a) The Incoterm CIF (Cost, Insurance, and Freight) means the buyer is responsible for insuring the goods during transit.
- b) Customs clearance is only required for international shipments, not domestic shipments.
- c) A freight forwarder is responsible for physically transporting goods from the shipper to the consignee.
- d) Demurrage fees are charged when the goods remain at the port of destination beyond the free storage time allowed.
- e) In international shipping, the Airway Bill is the equivalent of the Bill of Lading used in sea freight.
- f) The term "transhipment" refers to the direct transportation of goods from origin to destination without any transfer.
- g) Freight insurance is mandatory for all shipments, regardless of Incoterms.

- h) A Letter of Credit guarantees the buyer's payment will be made once the seller provides the agreed shipping documents.
- i) Marine insurance covers the cargo and the vessel during transit over water.
- j) A 'General Average' claim in marine insurance means the shipowner bears all the costs for any damage or loss during shipping.
- k) Sinking is the most common cause of loss in ocean shipping, and it is always covered by marine insurance.

SUB-TOTAL: 22 MARKS

QUESTION 3: MATCHING

8 MARKS

Match the terms in Column A with their correct descriptions in Column B.

Column A: Steps of the Shipping Process	Column B: Descriptions
1. Booking	a) Goods are inspected and cleared by customs authorities.
2. Pick-up and Inland Transportation	b) The shipper contacts the carrier or freight forwarder to arrange transportation.
3. Export Customs Clearance	c) The cargo is moved from the ship or plane to a warehouse or consignee's location.
4. Packing and Labelling	d) The process of moving goods from the shipper's location to the port or airport.
5. Freight Forwarding	e) Cargo is securely packed; labels are attached to provide the necessary information.
6. Transportation to Destination	f) Cargo is loaded onto a vessel, plane, truck, or rail for international or domestic transport.
7. Import Customs Clearance	g) A third-party provider arranges logistics, including transportation and documentation.
8. Delivery	h) Customs documents are prepared and submitted for goods to leave the country.

SECTION A TOTAL: 50 MARKS

SECTION B: CASE STUDIES STRUCTURED QUESTIONS

50 MARKS

QUESTION 4

20 MARKS

As a customs officer, you receive a shipment declaration with a product with an ambiguous classification under the Harmonized System (HS) code. The importer's description is unclear, and you're unsure which code to apply.

Questions:

- a) Explain the steps to resolve an ambiguous product classification under the Harmonized System (HS) code. Provide examples to support your approach. **12 MARKS**

- b) Discuss the potential consequences of incorrect product classification for the importer and customs authorities. Include specific examples of financial, legal, and operational implications. **8 MARKS**

SUB-TOTAL: 20 MARKS

QUESTION 5

30 MARKS

GSK Stones Incorporation, a Namibian company specialising in the extraction, processing, and distribution of high-quality marble stones, is exporting these marble products to various markets across Europe. The company sources the marble from Namibia's rich natural reserves, carefully crafting the stones to meet the specifications and quality standards of European clients. Their export operations play a vital role in contributing to Namibia's economy by promoting international trade and showcasing the country's natural resources on a global scale.

Questions:

- A) Analyse the appropriate mode of transportation for GSK Stones incorporation to ensure that the stones get to Europe. **10 MARKS**

- B) Discuss ten documentations required for this transaction. **20 MARKS**

SUB-TOTAL: 30 MARKS

SECTION B TOTAL: 50 MARKS

GRAND TOTAL: 100 MARKS

THE END