



Riara School of Business
Nurturing business innovators

SEPTEMBER-DECEMBER 2019 SEMESTER EXAMINATIONS
EVENING PROGRAMME

EXAMINATION FOR BACHELOR OF BUSINESS ADMINISTRATION

RPS 308: LOGISTICS MANAGMENT

DATE: 7TH DEMCEBER 2019

TIME: 9:00-11:00AM

GENERAL INSTRUCTIONS:

Students are NOT permitted to write on the examination paper during reading time.
This is a closed book examination. Text book/Reference books/notes are not permitted.

SPECIAL INSTRUCTIONS:

1. Write your REGISTRATION NO. Clearly on the answer booklet(s).
2. Answer Question ONE and ANY other TWO questions.
3. Questions in all sections should be answered in answer booklet(s).
4. Marks allocated to each question are shown at the end of the question.
5. PLEASE start the answer to EACH question on a NEW PAGE.
6. For the questions, write the number of the question on the answer booklet(s) in the order you answered them.
7. Write your answers in paragraph form unless stated otherwise.
8. Keep your phone(s) SWITCHED OFF at the front of the examination room.
9. Keep ALL bags and caps at the front of the examination room and do not refer to any unauthorized material before or during the course of the examination.
10. You are only allowed to leave the examination room 30minutes to the end of the Examination.

QUESTION ONE: COMPULSORY (30 MARKS)

Read the case below and answer the questions that follow:

CASE LOGISTICS MANAGEMENT AT UNILEVER SINGAPORE

Unilever is one of the leading fast moving consumer goods (FMCG) manufacturing companies in the world with its headquarters in London and Rotterdam. The product portfolio of the company can be divided into four categories namely, food and drink, home care, personal care and water purifiers. The main markets of Unilever are America, Europe, Asia and Australia. The main competitors Unilever in the food products segment is Nestle while the main competitor in the home and skin care segment is Procter & Gamble.

Unilever Singapore applies effective transportation facilities, which enables it to transport materials from raw materials to its factories and finished goods to all its markets all over the world. The company has operations through the world in more than a hundred countries and is one of the largest manufacturer and marketer of FMCG goods. This requires the company to purchase raw materials from all over the world and distribute its finished goods to its markets. This international operation brings the company under the jurisdiction of International Commercial Terms or Incoterms, which is laid down by the International Chamber of Commerce or ICC (iccwbo.org, 2017). Unilever Singapore following its parent company adopts two strategies to make its transportation of goods more cost effective, fast and convenient namely, centralized supply chain management or SCM and centralised logistics management system called Ultralogistik.

Unilever follows a centralised SCM to transport raw materials from all over the world, which requires it to comply with Incoterms of various countries like Singapore. Transportation of raw materials from different markets across the world involves high costs, risks and expenditure to manage the risks like insuring the goods. This requirement of quality sourcing of materials all over the world and control costs necessitates the multinational company to use Incoterm pricing methods to operate economically. The company primarily follows two popular price terms while importing goods as per International Commercial Terms namely, CIF and FOB (Stapleton, Pande & O'Brien, 2014).

Unilever imports raw materials from all over the world using the FOB method. The suppliers or sellers of the raw materials pay the expenses like freight and insurance and clear the goods at the port export.

Unilever caters to customers all over the world, which requires it to hold, and manage distribution chains in all the markets. The distribution chain of Unilever is called Ultralogistik, which operates all over the world. The company sells its products to distributors and stockists, which also includes foreign distributors. The company sells and exports its products to overseas distributors using the CIF system.

Required:

- a) Distinguish the following terms as applied in Logistics Management:
- i. Inbound Logistics (2 marks)
 - ii. Materials Management (2 marks)
 - iii. Physical Distribution (2 marks)
 - iv. Reverse Logistics (2 marks)
- b) 'The company sells its products to distributors and stockists, which also includes foreign distributors'. Discuss this statement by applying the THREE distribution systems used in logistics management (9 marks)
- c) Discuss the characteristics of the groups that INCOTERMS specified in this case are categorized (3 Marks)
- d) Explain the INCOTERMS on F.O.B and C.I.F and discuss the rationale for Unilever applying these two INCOTERMS (6 Marks)
- e) Outline FOUR logistics activities outlined in this case (4 marks).

QUESTION TWO:

- (a) Elaborate FIVE operating characteristics used to classify the various transport modes (10 marks)
- (b) Discuss THREE (3) Key logistics Processes (6 marks)
- (c) Outline FOUR (4) future Challenges and Areas for Logistics Performance Improvement (4 marks)

QUESTION THREE:

- a) Distinguishing the following terms as used in Logistics management:
- i. Value advantage and Cost/productivity advantage (2 marks)

- ii. Supply Chain and Closed-Loop Supply Chain **(2 marks)**

- b) Logistics adds value by creating utility; explain FOUR utilities created in logistics Management **(8 marks)**

- c) Elaborate FOUR types of warehousing models **(8 marks)**

QUESTION FOUR:

- a) Explain FOUR factors that influencing effective use of a warehouse. **(8 marks)**

- b) Distinguish SIX categories of reverse flows as applied in Logistics Management **(6 marks)**

- c) Explain the following strategies recommended for management of reverse logistics processes:
 - i. Avoidance **(2 marks)**
 - ii. Gatekeeping **(2 marks)**
 - iii. Returns Centers **(2 marks)**