



## CII Institute of Logistics

PGDSCM & Certificate Programs

Semester-end Examination – December 2008

### INTERNATIONAL LOGISTICS

Time : Three Hours

Marks : 100

#### Part A

Answer all questions (20 x 1 = 20 Marks)

1. Which of the one is wrong?
  - a. CFS = Container Freight Station
  - b. CAF=Cash Adjusted Freight
  - c. TAT=Turn Around Time
  - d. FAS=Free Alongside Ship
2. Which of the following is not a logistics operation
  - a. Packing
  - b. Order Processing
  - c. Transportation of Raw Materials
  - d. WIP at supplier unit
3. 8.20 container measurement
  - a. 20lx8bx8h
  - b. 20bx8lx8h
  - c. Both the above
  - d. None of the above
4. Which risk is reduced when a company opts for 3PL?
  - a. Financial Investment Risk
  - b. Strategic Risk
  - c. Commercial Risk
  - d. Management Risk
5.  $EOQ = \text{square root of } 2RD / H$  where R,D & H are
  - a. Reorder Level, Demand, Holding Cost
  - b. Reorder Cost, Demand, Holding Cost
  - c. Reorder Cost, Demand, Hiring Cost
  - d. Reorder Cost, Standard Deviation, Holding Cost
6. Which of the following is not a part of order processing?
  - a. Credit Checking
  - b. Order Collection
  - c. Identifying customer needs
  - d. Internal order communication
7. The tasks of the customs are excluding
  - a. Collection of customs duties
  - b. International passenger processing
  - c. Prevention of smuggling
  - d. None of the above
8. Which of the following is an “Out-of-stock-cost”?
  - a. Lost sales cost
  - b. Last sales cost
  - c. Carrying cost
  - d. Capital cost
9. The main difference between international freight forwarders and custom house brokers is
  - a. Forwarders take title to the goods and custom house brokers do not
  - b. Forwarders tend to handle exports while custom house brokers tend to handle imports
  - c. Custom house brokers are government agencies
  - d. None of the above
10. Warehousing cost is not dependant on
  - a. Warehouse location
  - b. Number of warehouses in the same area
  - c. Land / rental cost
  - d. Price of diesel
11. Distributions & physical distribution are one and the same  
(True / False)
12. PSSC is charged during lean periods  
(True / False)
13. Which of the following is an objective of transportation
  - a. To reduce the warehousing cost
  - b. To maximize customer service at optimal cost
  - c. To reduce flexibility of transportation activities
  - d. To minimize control over movement activities
14. Franchisee is the party granted the right to use the array of intellectual property items owned by another party in exchange of payment of royalties  
(True / False)
15. Bill of lading is not a
  - a. Contract
  - b. Receipt
  - c. Certificate of title
  - d. Non-negotiable instrument
16. Which one cannot carry palletized cargo?
  - a. Passenger planes
  - b. Combis
  - c. Air freighters

- d. Charters
17. Which of the following is false in the case of a manifest?
- The law prohibits unloading of any goods at a customs station which is not mentioned in the manifest
  - Unless the manifest is filed with all requisite details, no unloading of cargo can be undertaken
  - The filling of manifest should be made within 48 hours of entry of the vessel at the customs station
  - Prior filing of manifest even before the arrival of the vessel is permitted
18. Air way bill is equivalent to
- Bill of lading
  - Bill of landing
  - Bill of boarding
  - Bill of exchange
19. Pan Max vessel means
- A vessel that is larger enough to cross panama canal
  - A vessel that is larger enough to cross sues canal
  - A vessel that is larger enough to cross pacific canal
20. None of the above Commercial risk can be evaluated from private sources, including credit report companies, insurance companies etc.

Part B

Answer any four (4 x 10 = 40 marks)

- Write in detail about import and export through courier
- Discuss on the cost and value measures related to logistics
- Discuss various steps involved in order processing
- What are various issues in international trade and logistics?
- Elaborate the services rendered by 3PL
- What are the formalities of clearance of export goods?

Part C

Answer all the four (4 x 10 = 40 marks)

Case Study 1 : CONTAINER CONTROVERSY :

Mr. Mehar Chaitanya is CMD of MLine, an organization involved in operating containers all over the world. Its HO is in Mumbai, near to port. This organization is in container business since last three decades. This organization is known for its integrity and reliability both in delivering the cargo on time and in right shape and also in its prices and payments. On August 1<sup>st</sup> 2007 Mr. Mehar Chaitanya received a

call from one of his customer and the customer's tone was very angry and choked with emotion. He conveyed is an accusing tone that MLine cheated him by charging more on freight from Chennai to Singapore when he hired an FCL from MLine.

He said that in the market, the container was available for \$375 whereas MLine charged him \$425 per container and he moved nearly 50 containers; according to him the loss was \$2500 which is phenomenal. He wants an explanation from MLine and he felt cheated by a company with whom he was dealing for the past 5 years. Mr. Mehar listened everything patiently and thought for a while. Gave a couple of calls to the market and understood that what the customer was saying was right. When he verified the records in his company on the shipment made, he felt his company maintained clean transaction as ever. He was confident and convinced and lifted the phone to answer the customer.

- If you were in his position, could you explain what would have happened in the whole affair?
- After hearing the reply from Mr. Mehar, the customer was convinced and promised to continue his business with MLine. How could this be possible? Explain.

Case Study 2 :

Continental warehousing corporation is considering five alternative locations for a new warehouse for their music distribution business. After many discussions they compiled a list of many factors, their maximum scores and actual scores for each site as given below:

Factor	Max Score	A	B	C	D	E
Climate	10	8	6	9	7	5
Infrastructure	20	12	16	15	8	13
Accessibility	10	6	8	7	9	9
Construction cost	5	3	1	4	2	1
Community attitude	10	6	8	7	4	8
Government views	5	2	2	3	4	3
Closeness to suppliers	15	10	10	13	13	10
Closeness to customers	20	12	10	15	17	10
Availability of workforce	5	1	2	4	5	3

- Which site do you recommend and why?
- What will be your second choice and why?

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