



**CII Institute of Logistics**  
PGDSCM & Certificate Programs  
Semester-end Examination – June 2009

**INTERNATIONAL LOGISTICS**

Time : Three Hours

Marks : 100

Part A

Answer all questions (20 x 1 = 20 Marks)

1. Air way bill is equivalent to
  - a. Bill of lading
  - b. Bill of landing
  - c. Bill of boarding
  - d. Bill of exchange
2. Logistics accounts for one of the highest costs of doing business  
(True / False)
3. Which one of the following is not an activity center in logistics?
  - a. Marketing
  - b. Warehousing
  - c. Inventory
  - d. Communications
4. AWB means
  - a. Air Water Bond
  - b. Air Way Bill
  - c. Aero Way Board
  - d. Acid Water Bus
5. Total logistics costs are usually expressed as a percentage of cost of manufacturing  
(True / False)
6. 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
7. GRT means Gross Registered Tonnage  
(True / False)
8. Which risk is reduced when a company opts for 3PL?
  - a. Financial Investment Risk
  - b. Strategic Risk
  - c. Commercial Risk
  - d. Management Risk
9. Which one cannot carry palletized cargo?
  - a. Passenger planes
  - b. Combis
  - c. Air freighters
  - d. Charters
10. Pan Max vessel means
  - a. A vessel that is larger enough to cross panama canal
  - b. A vessel that is larger enough to cross suez canal
  - c. A vessel that is larger enough to cross pacific canal
  - d. None of the above
11. Base Case is defined as the situation the company presents before the arrangement with the 3PL  
(True / False)
12. EOQ = 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
13. Higher the inventory turnover, better for the organization (True / False)
14. The relative cost of ordering and carrying, per unit vary inversely  
(True / False)
15. 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
16. Which one of the following is the objective of organization structure
  - a. Conflict resolution only

- b. Identification of cost reduction opportunities only
  - c. Competitive advantage only
  - d. All the above
  - e. None of the above
17. Under the EDI system of customs, the importer does submit the documents for assessment (True / False)
18. A company that specializes in shipping cargo on behalf of shippers is known as
- a. Project Cargo
  - b. Freight Forwarders
  - c. Franchisee
  - d. None of the above
19. The normal validity period of EPCG is
- a. 12 months
  - b. 24 month
  - c. 36 months
  - d. None of the above
20. The maximum weight of cargo that a vessel can carry is
- a. Displacement Tonnage
  - b. Light Tonnage
  - c. Registered tonnage
  - d. Dead weight tonnage

Part B

*Answer any four*

*(4 x 10 = 40 marks)*

1. Explain all the below:
  - a. ICD
  - b. Bull Whip
  - c. Stevedore
  - d. +100 kg in airfreight
2. Discuss on the cost and value measures related to logistics
3. What are the advantages of 3PL?
4. Define EDI. Explain its role in the light of logistics information systems
5. What are various issues in international trade and logistics?

6. Write short notes on the following :
- a. Container Freight Station
  - b. IATA
  - c. Cash Adjustment Factor
  - d. RORO ships

Part C

*Answer all the four*

*(4 x 10 = 40 marks)*

*Case Study*

***Solving the Ocean Booking Problem***

For all the growth in global commerce over the past decade, for many companies, the effort to get those goods moving remain mired in very manual processes.

This basic “ocean booking” problem remains a thorn in the side of many importers and exporters, despite a growing array of solutions to automate one of the last areas of logistics to move beyond manual processes for securing container berths on ocean carriers.

Despite the cost and, in some cases, supply chain risk (in the form of shipment delays) of manual processes, most ocean bookings are still made via phone, fax and email, or through intermediaries such as freight forwarders rather than directly.

One reason is that international shipments from both a process and technology perspective are often wrapped up in other issues, such as customs management, regulatory requirements, duties and tariffs, supply chain visibility and more. Some technology vendors in this general solution space, which goes by such names as “Global Trade Management” and “International Trade Logistics,” offer broad product lines that address some or all of these functional issues.

As a result, sometimes the most basic issue – automating ocean booking – goes unsolved awaiting a broader strategy or solution that is more comprehensive in nature. Or, companies throw up their hands and decide to just outsource the problem.”

“In the past, international logistics and trade management have simply not been on the executive agenda,” SCDigest Contributing Editor **Gene Tyndall** notes. “They just decided to let freight forwarders and logistics service providers handle the process for them.”

For example, retail giant Lowe's, which moves more than 100,000 containers per year, is just starting to automate its ocean booking process by adding new technology.

With the huge growth in both offshoring and exports from the US in the past few years, those attitudes were starting to change – but, in some cases, the economic downturn and steep drop in international trade have again put some damper on importer/shipper interest.

Still, the interest will return, says Tyndall, noting that he recently led a survey for one large tech industry company which found that more than 50% of large companies prefer to deal directly with ocean carriers, rather than through their freight forwarders.

“It seems many global companies are going through a mash up of global trade management systems, enterprise systems and, to a lesser extent, their 3PL and other trading partner systems,” says **Don Anderson**, VP of Transportation Services for Tompkins Associates. “It’s probably not surprising that some shippers still find gaps in these technologies’ capabilities, but the vendors are aware of the opportunities to offer a more complete global trade management solution and I see them each trying to fill these gaps, albeit with different approaches and business models across solution providers.”

### **INTTRA Offers an Interesting Approach**

Among the many alternatives for automating ocean booking processes is a company called **INTTRA**, which offers ocean booking automation with an appealing twist – the service is free for shippers.

How is that possible? INTTRA was initially funded by a group of six European-based ocean carriers, which looked to help shippers book their own freight and reduce the carriers’ internal IT costs by developing tools in one place for all the participants.

Now in its eighth year, INTTRA is basically a booking portal that has established electronic (EDI) carrier connections with most major ocean carriers and a set of booking process tools for shippers or freight forwarders. The service is free, with transactional costs paid for by the carrier upon which a voyage is booked.

In fact, **Harry Sangree**, senior vice president of business development and corporate strategy at INTTRA says that while overall container volumes dropped by double digits in Q1, transactions processed through INTTRA actually increased, as both shippers and carriers looked to gain administrative efficiencies.

“What we set out to do is to take a very un-standardized process and make it standardized,” Sangree told SCDigest.

The company has also established a sister portal called **oceanschedules.com**, which offers shippers the ability to see and search for ocean voyages, again for free, with the site being supported by ad revenues on the pages.

INTTRA, headquartered in the New Jersey, now supports voyages across the globe and virtually every lane. Sangree, for example, says some 15% of INTTRA business now comes out of South America.

One challenge with portals of any type is the ability to handle the unique needs of different companies. Sangree says INTTRA deals with this by designing its “data pipes” very broadly, giving shippers the ability to send and receive the data elements that are important to them. Carriers, on the other hand, then trigger unique processes, such as a special bill of lading, for some customers as required based on the data definition.

Sangree says there is also flexibility in how a shipper interacts with INTTRA. “Channels” for those interactions include EDI/XML, a web user interface, a desktop application based on email for locations (such as developing countries) where web connectivity is spotty, and an approach that enables a company’s existing supply chain or enterprise applications to directly integrate with the portal.

However a shipper/importer looks to do it, there are complexities with ocean booking, Tompkins’ Anderson adds.

“Booking often requires consideration of carrier, vessel, sailing, slot sharing, container positioning and other attributes of a booking prior to commitment,” he told SCDigest. “Developing business rules and automated decision support to include these kinds of shipper considerations may be too onerous for most companies to accomplish on their own.”

*Answer all the four*

*(4 x 10 = 40 marks)*

1. Why more companies have not moved to automate ocean booking?
2. What are the advantages/disadvantages of a portal approach versus other solutions?
3. How INTTRA offers ocean booking automation service free for shippers?
4. What are the challenges faced by this web portal?

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