



# UGANDA MANAGEMENT INSTITUTE

POSTGRADUATE DIPLOMA IN LOGISTICS AND TRANSPORT  
MANAGEMENT (DLTM)

SECOND SEMESTER EXAMS 2015/2016

MODULE: INTERNATIONAL LOGISTICS MANAGEMENT  
(E)

Date: Wednesday 5 October 2016

Time: 02.00 PM – 05.00 PM

## INSTRUCTIONS

1. Answer **FOUR** Questions.
2. Question **ONE** of Section A is compulsory and carries 40 marks.
3. Answer any other **THREE** Questions from Section **B**. Each question carries **20 marks**.
4. Write clearly and legibly.
5. **Do not** write anything on the question paper.
6. **Do not** take Mobile Phones into the examination room.
7. Follow the instructions of the examination supervisor.
8. Indicate questions answered on the Answer Sheet in the column of Questions.

This paper consists of 4 printed pages

**SECTION A:****COMPULSORY****40 MARKS****QUESTION ONE****M/s Mediterranean Shipping Company (MSC)**

M/s Mediterranean Shipping Company Inc, is one of the world's largest shipping companies specialized in transporting both containerized and loose cargo. M/s Mediterranean Shipping Company Inc delivers tailor-made ocean transportation and logistics services of the highest quality to the global automotive industry. Furthermore, the base of M/s Mediterranean Shipping Company Inc is to export Toyota, Nissan, Hyundai Motor and KIA Motors from their plants in Japan and Korea and around the world, but also serve other leading manufacturers of automobiles and rolling cargo such as BMW, Scania, Caterpillar, General Motors and Volvo.

Vision: 'To be the best shipping company for the global automotive industry'

M/s Mediterranean Shipping Company Inc directly operates around 90 specialized vessels, and has 11-23 ships on short-term arrangements at any given time. All together, this fleet have an annual transport volume of 3,2 million cars to 200 different ports, in 150 countries, utilizing a extensive network of offices and agents .

Through continuous expansion off route network, minimization of transit times, utmost attention to cargo handling quality and a strong dedication to cost savings for customers, M/s Mediterranean Shipping company Inc are striving towards delivering a total customer satisfaction. In doing this, the company has now adopted a strategy geared to Sub-contracting some of its international Logistics activities, in order to minimize operational costs. In this, they are striving to achieve their vision of becoming the best shipping company for global automotive industry.

Their main field of experience lies within port-to-port ocean transportation of completely built vehicles - primarily cars trucks, busses and heavy machinery. At a present stage M/s Mediterranean Shipping Company Inc covers a rout network with main trades from Asia to Europe, Asia to North America, Asia to South and Central America, Asia to the Pacific area, intra Asian routes, Europe to the Middle east, East Africa to the east Asia and Europe to east Asia. Furthermore, M/s Mediterranean Shipping Company Inc have two routes covering the Far East to the Middle East. One

route directly from Far East to Middle East and one route passing the Middle East with the Mediterranean as a final destination.

Despite an extensive operation worldwide, M/s Mediterranean Shipping company Inc has suffered Supply chain instabilities, especially in the Asian Markets and Latin American market. This has been mainly attributed to the American car makers pulling out of those markets. Besides, the Japanese Automakers, prefer Asian Shipping companies Like Quangdo SA. So, supply Chain Vulnerability is M/s Mediterranean Shipping company Inc's main challenge and poses a big risk on its bottom line..

### TASKS

- a) Evaluate the CEOs' assertion that a global logistics strategy may improve the current business position. **(10 Marks)**
- b) Illustrate how M/s Mediterranean Shipping Company Inc can apply the following site selection techniques as they make decisions on where to locate their facilities
  - I. Factor Rating Method **(10 Marks)**
  - II. Locational Break even Analysis **(10 marks)**
  - III. Center of gravity **(10 Marks)**

### SECTION B: ANSWER ANY THREE QUESTIONS FROM THIS SECTION

#### QUESTION TWO

International logistics has gained tremendous importance for organizations that strive to achieve competitiveness in the global market. The growth and developments in international logistics has triggered off emerging themes and trends in logistics.

With illustrated examples discuss the reasons for the growth in international logistics and their implications on the logistics practice and activities. **(20 Marks)**

#### QUESTION THREE

The World Trade Organization observed that lack of or insufficient use of automated processes and information technology is a major source of delays, costs and inefficiencies, as paper documents have usually to be presented at the time of border crossing, and verification of the information submitted takes place at that time which ultimately increase costs and affect the bottom line of many organizations.

- a) Assuming organizers of an international conference for logistics stakeholders approached you for advice regarding the issue of introducing information technology in international logistics operations what ICT application would you suggest? Illustrate your answer. **(10 marks)**
- b) What challenges is the management a multinational logistics operator likely to meet in the bid to automate its systems? **(10 marks)**

#### **QUESTION FOUR**

Culture differs with nationality and an understanding of such differences is essential when carrying out international logistics transactions. Without intimate understanding of these aspects, misperception and distortion are bound to occur in international trade/ business.

- a) Using relevant examples, discuss the cultural dimension that may impact on international logistics practice. **(16 marks)**
- b) What recommendations would you make to deal with the cultural differences mentioned in (a) above in international business? **(4 marks)**

#### **QUESTION FIVE**

“Risks are abound in the international trading market and they can be broadly categorized as Business risks, Political risk, and Environmental risks”.

- i) With relevant examples discuss the detailed types of risks associated within the supply chain and Liner Tramp Operations in international logistics. **(10 Marks)**
- ii) Suggest practical ways of Managing risk and challenges in the supply chain and Liner Tramp Operations. **(10 Marks)**

#### **QUESTION SIX**

In any International physical distribution or logistics transaction, it is important for the stakeholders like buyer, seller, transporter, freight forwarders, and shippers to understand the terms of sale and know precisely what is included in the contact terms. With at least one example of an INCOTERM form each category, discuss the commercial

considerations within the E-terms, F-terms, C-terms and D-terms.

**(20 Marks)**

**END**