The Management University of Africa

Sponsored by the Kenya Institute of Management

POST GRADUATE UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

DEGREE OF MASTER OF BUSINESS ADMINISTRATION

LSO 505: TRANSPORTATION AND DISTRIBUTION MANAGEMENT

DATE: 27TH JULY 2026

DURATION: 3 HOURS

MAXIMUM MARKS: 60

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **FOUR (4)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **TWO** questions.
6. Question **ONE** carries **30 MARKS** and the rest carry **15 MARKS** each.
7. **Write all your answers in the Examination answer booklet provided.**

QUESTION ONE

Read the Case Study below carefully and answer the questions that follow:

TRAFFIC SAFETY AND CITY PUBLIC TRANSPORT SYSTEM IN KENYA

Vehicle crashes are a major concern in rapidly growing urban agglomerations. They also have attracted the attention of researchers, academicians, and policy makers. A large body of research literature exists that throws light on the magnitude of this problem and also indicates the interventions required. In a vast majority of Kenyan cities, buses are the main mode of public transport. An externality of the bus-based public transport system, like any other mode of transport, is the injuries and fatalities arising out of the crashes involving them. Buses are involved in 12-20 percent of fatal crashes in Kenyan cities. Low floor buses with mechanical doors and segregated pedestrian and bicycle lanes can have a major impact on reducing fatal crashes of bicycles and pedestrians involving buses.

In low- and middle-income countries, buses are likely to remain the primary mode of mass transit for the foreseeable future. In most transportation scenarios, reliance on buses has a positive impact on air quality because they pollute less per person mile and create less congestion because of their smaller road-use footprint. In addition to these benefits, it is usually assumed that buses are among the safest modes of transport available because they are much larger in size and mass than most other road vehicles. Biomechanics and crash investigation studies have confirmed that occupants of buses are at much lower risk of dying in the event of a crash. However, bus users face risks of road traffic injuries on access trips and buses also are associated with road traffic crashes with other road users.

The total motor vehicle population in Kenya has increased from about 300,000 in 1990 to about 3,000,000 in 2020. The basis of this figure is the number of new vehicles registered each year. The vehicles registered each year are accumulated to arrive at the total figure of vehicles on road, notwithstanding that vehicles do have a specified life. Out-of-use vehicles remain on record. Recent studies have estimated that actual number of vehicles on the road in Nairobi is 60-70 percent of the official statistic. Kenya loses ~5,009 lives annually to road crashes, costing about Sh450 billion / 5% of GDP. NTSA + government are rolling out a multi-pronged plan under the _National Road Safety Action Plan 2024-2028.

Required:

a) In reference to the case study, vehicle crashes are a major concern in rapidly growing urban agglomerations. Describe the measures undertaken to reduce road accidents on Kenyan roads.
(6 marks)

b) From the case study, the total motor vehicle population in Kenya has increased from about 300,000 in 1990 to about 3,000,000 in 2020. Discuss the government policies to decongest traffic jams in Nairobi city. **(6 marks)**

c) Out-of-use vehicles remain on record. Explain the measures to undertake to control out of use vehicle of more than four years old on the roads. **(6 marks)**

d) Kenya loses ~5,009 lives annually to road crashes. Explain the effects of this to the Kenyan economy.
(6 marks)

e) Discuss the cause of the high rate of accidents on Kenyan roads.
(6 marks)

QUESTION TWO

a) Having determined the vehicle requirements, the next task is to ascertain the most appropriate means of acquiring the vehicle. Describe the options available for acquisition of vehicles. **(10 marks)**

b) Recently, the transportation system in Nairobi metropolitan has been regulated. Analyze the arguments used to regulate the passenger transport industry in Kenya**.**
(5 marks)

QUESTION THREE

a) To facilitate terms of trade the ICC publishes harmonized set of terms to clarify international shipping. These are known as INCOTERS. Two such terms are EX Works, CIF which one will you recommend as a basis of trade for a Kenyan importer of garments dealing with a supplier from China. **(5 marks)**

b) Transport management is a spring board in perfection of the holistic activities in line with supply chain management. In view of this observation explain the importance of transport management system (TMS) in business environment

(10 marks)

QUESTION FOUR

a) There are a number of different ways for ensuring the 'best' use of vehicles when providing a particular delivery service (known as the 'optimization' of vehicle usage). Evaluate the benefits of 'optimization' of vehicle usage. **(10 marks)**

b) Discuss the main challenges in logistics that a transport company is likely to face as it plans for international trade. **(5 marks)**