



The Chartered  
Institute of Logistics  
and Transport

The  
Management  
University  
of Africa



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**CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT**  
**(CILT) EXAMINATIONS IN COLABORATION WITH**  
**MANAGEMENT UNIVERSITY OF AFRICA**  
**PROFESSIONAL ADVANCED DIPLOMA IN LOGISTICS AND**  
**TRANSPORT**

**ADIP 05 : INTERNATIONAL BUSINESS**

**DATE: 18<sup>TH</sup> DECEMBER 2024**

**DURATION: 2 HOURS**

**MAXIMUM MARKS: 70**

**INSTRUCTIONS:**

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **THREE** questions.
6. Question **ONE** carries **25 MARKS** and the rest carry **15 MARKS** each.
7. Write all your answers in the Examination answer booklet provided.

## QUESTION ONE

Read the following case and answer the questions that follow:

### THE NECESSITY OF RISK MANAGEMENT IN GLOBAL MACRO-ENVIRONMENTS

International businesses are faced with risks which require prudent management. Such risks are compounded by complexities of the global business environment. Global macro-environmental forces present opportunities to be exploited, but they also come along with challenges which can threaten the very existence of the business firms.

Risks that are encountered by global logistics firms include among others, the risks that are experienced in the supply chain as well as electronic commerce (e-commerce) related risks. Such risks require proper identification and appropriate strategies to mitigate them as some cannot be fully eradicated. Global logistics firms have to determine which of such risks to absorb/retain and which ones to transfer to other entities, especially by way of insurance.

In addressing the global macro-environmental forces and their impact on international business, PESTLE analysis initially referred to as PEST analysis has been a useful approach over many years. Though the same analyses are used for domestic firms, the same factors/forces are also useful in the analysis of the global macro-environments under which international businesses operate.

**Required:**

- a) Evaluate any five global macro-environmental factors which affect international businesses both positively and negatively. (10 Marks)
- b) Identify and explain any three kinds of risks that are ingrained in international supply chains and show how logistics firms can handle them in a prudent manner. (9 Marks)

- c) Summarize on any three kinds of electronic commerce risks that international logistics firms have to contend with and how to minimize their adverse effects. (6 Marks)

#### QUESTION TWO

- a) Develop and justify five procedural steps for effective Business Continuity Management (BCM) planning. (10 Marks)
- b) Consider any five issues of concern for international businesses to embrace a 'sustainable supply chain management (SSCM) strategy. (5 Marks)

#### QUESTION THREE

- a) Appraise the impacts of five typical supply chain problems in international logistics. (7.5 Marks)
- b) Describe with reasons any five candid steps of 'Business Process Re-Engineering (BPR)' that should be adopted by firms engaged in trans-national business. (7.5 Marks)

#### QUESTION FOUR

- a) What factors should be considered by global logistics firms for manufacturing facilities location and explain the significance of each factor? (7.5 Marks)
- b) Identify and assess any five defenses that may be relied on by a carrier of goods in a legal suit as envisaged in the Convention governing International Carriage of Goods by Road (CMR). (7.5 Marks)

#### QUESTION FIVE

- a) Distinguish any three kinds of goods that are classified by the United Nations as 'dangerous goods' recommending necessary precautions for each. (6 Marks)

- b) Demonstrate six recommended steps to be undertaken by an international logistics firm in successful benchmarking underpinning the importance of each step. (9 Marks)

#### QUESTION SIX

- a) How would you appraise the milestones made by the World Trade Organization (WTO) in the performance of five of its core functions citing examples (7.5 Marks)
- b) Argue with appropriate examples five grounds on which a carrier of goods by sea may be exempted from liability as per the Hague-Visby rules citing the rationales. (7.5 Marks)