



The Chartered  
Institute of Logistics  
and Transport

The  
Management  
University  
of Africa



Sponsored by the Kenya Institute of Management

**CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT (CILT)**

**EXAMINATIONS**

**SCHOOL OF MANAGEMENT AND LEADERSHIP**

**PROFESSIONAL CERTIFICATE IN LOGISTICS AND TRANSPORT**

**CERT 10 : GLOBAL LOGISTICS**

**DATE: 17<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 case Study below carefully and answer the questions that follow:

### SUNSHINE COMPANY

Sunshine Company started in 1998 in the outskirts of Nairobi, Kenya's capital city and has established itself as one of the largest production company in East and central Africa, producing various household cleaning products. After the company was founded, apart from starting production it also embarked on a project of construction of its head office production facility. The company serves the largest and most diverse population within the East African region and more when the East African common market has grown and the company's reputation for quality products. Not a single shipment has ever been refused or rejected due to quality issues. The plant's location provides excellent access to road, rail and sea transportation. It is located within 30 kilometers of many of the major towns including Kenya's capital Nairobi and the neighboring countries.

When Sunshine Company was setting up production, it realized early on that logistics would play an important role in the success of the facility. Rather than try to develop that expertise in-house, the management turned to some of the very highly qualified people in the industry and also some retired employees who had a lot of knowledge and expertise in logistics and production. When Sunshine began production in large quantities, most of its product was consumed locally and the excess exported to the rest of the region. That required knowledge of international trade, compliance duties and regulations, expertise with road, rail and ocean freight services, and reliable contacts outside Kenya in foreign countries. In 2010, new trading regulations were published opening up a much stronger opportunity for Sunshine in the regional for domestic and international market throughout the entire continent and even the rest of the world. This would require a shift from domestic to international rail, sea and ground logistics. Additionally, to address seasonal and annual market demand changes Sunshine would

need a logistics program that is flexible to meet the flow of a rapidly changing market segment.

**Required:**

- a) Explain any five logistical challenges Sunshine company management may encounter in the movement of its products **(10 marks)**
- b) In the event that Sunshine Company decides to contract a logistics company, what benefits will they enjoy? **(10 marks)**
- c) Tariffs and quotas restriction affect business, what would be your advice to Sunshine management? **(5 marks)**

**QUESTION TWO**

- a) Global trade is driven by a need to meet demand effectively and efficiently explain any five other forces of change at work related to global trade and business. **(10 marks)**
- b) Propose any five areas that we must plan and manage our human resources in a similar way to physical resources **(5 marks)**

**QUESTION THREE**

- a) In business there are three principle levels of planning, what are they? **(10 marks)**
- b) We need to ensure that all our transport resources are compatible with the resources in place at loading and unloading points, in relation to this; what type of resources should be used? **(5 marks)**

**QUESTION FOUR**

- a) What are the duties of national Customs authorities throughout the world?  
(10 marks)
- b) Mention any three United Nations specialist agencies that regulate and control each mode of transport.  
(5 marks)

**QUESTION FIVE**

- a) Explain the following Incoterms:
- i) EXW (2.5 marks)
- ii) FOB (2.5 marks)
- b) Evaluate any three modes of transport, and their suitability in supply chain transport.  
(10 marks)

**QUESTION SIX**

- a) Explain five functions of freight forwarders (5 marks)
- b) Hertz and Alfredsson (2003) described four categories of 3PL providers, you are required to explain on any two of them (4 marks)
- c) When trading globally, there are a number of different ways of transferring funds, explain how the following methods operate to transfer funds
- SWIFT; (2 marks)
- Letters of Credit; (2 marks)
- Bills of Exchange; (2 marks)