



The Chartered
Institute of Logistics
and Transport

The
Management
University
of Africa



Sponsored by the Kenya Institute of Management

SCHOOL OF MANAGEMENT AND LEADERSHIP
CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT (CILT)
EXAMINATIONS

CERTIFICATE IN IN LOGISTICS AND TRANSPORT

CERT 05: FREIGHT TRANSPORT OPERATION

DATE: 17TH 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 study and answer the questions which follow.

SUCCESS OF OPERATION TRANSPORT MANAGEMENT

The overall message in logistics is geared towards ensuring that operational costs should be less than the perceived benefits that it brings. All issues ranging from quality, quantity, time, source and price must be agreed upon. It is believed that the consumer makes the decision which is believed to be right. Assuming you are dealing with job production it is expected that you have to certify varying demands in addition to ensuring that value addition is achieved. In logistics top operational management treasure added values which is expressed as a utility. When products are available at the place they are needed, logistics is said to have added place utility; when products are delivered at the time they are needed, logistics has added time utility; when products are delivered to the right people, logistics has increased ownership utility. We are able to paraphrase utility as a process of ensuring added values along transport operations and to achieve value there must be a design structure and material can flow.

Ways of getting an efficient flow of materials can bring about success in transport logistics. Many organizations that have developed in logistics operations across the nations have had their concept of functioning rooted in material management that involves a distribution network. Logistics is essential even though it has a price tag. One cannot know exactly how expensive because normal accounting conventions do not separate logistics costs from other operating expenditure, and there is always disagreement about the activities to include. As a result, very few organizations can put precise figures on their logistics costs, and many have almost no idea of the amounts involved. One obvious point, though, is that expenditure on logistics varies widely between different industries. To what extent Logistics can be expensive is debatable whether it is getting more expensive is even open debate. The majority of people say that fuel, land, safety, environmental protection and employee costs are rising and making logistics more expensive. It can be summarized that inflation can be to a big margin cause for logistics operations.

Efficient logistics plays a large organizational success. There must be efficient and sophisticated distribution system for managers to win. This includes high levels of automation, sophisticated communications, utilization of resources, and guaranteed availability of products. Even though the logistics costs are so high that small improvements can have a considerable effect on profit these investments bring about customer delight. When you sent an item you want it delivered quickly – in which case the 'right' delivery is the fastest. At times you want it delivered as cheaply as possible, or with high security, at a specified time, with a receipt, to a specified person, and so on. Logistics must deal with these varying demands, with the essential point that it must give a service that customers are prepared to pay for.

Required:

- a) In reference to the case study above, discuss why air transport operations are always expensive even though other modes of transport are getting cheaper
(10 marks)
- b) The freight transport industry needs proper regulations to reduce and try to eliminate dangers and risks, give five reasons why regulations are required.
(10 marks)
- c) Explain what would happen if goods were not moved
(5 marks)

QUESTION TWO

- a) There are regular factors and variable, or irregular, factors affecting freight transport for which we need to plan.
Identify and explain any five regular and five irregular factors
(10 marks)
- b) Customs authorities are in place worldwide to protect national boundaries, analyze any five different customs procedures and duties
(5 marks)

QUESTION THREE

- a) Talk about five freight transport planning tools that help us to achieve the best results possible **(10 Marks)**
- b) What information documents must be carried on vehicles operating under ADR **(5 marks)**

QUESTION FOUR

- a) The transport industry needs proper regulations to reduce and try to eliminate dangers and risks, state and discuss five areas how this is achieved **(10 marks)**
- b) All dangerous goods are placed into nine categories highlight on any five categories **(5 marks)**

QUESTION FIVE

- a) Explain any five planning requirements for a new organization that is planning to start a new freight transport operation **(10 marks)**
- b) With examples write short notes on the following Incoterms **(5 marks)**
- i. EX WORKS
 - ii. FCA
 - iii. CIP

QUESTION SIX

- a) Regulations related to the carriage and disposal of waste require that all parties involved have a duty of care discuss any five points **(10 marks)**
- b) Cost of operation is divided up into several different broad descriptions, elaborate on any three **(5 marks)**