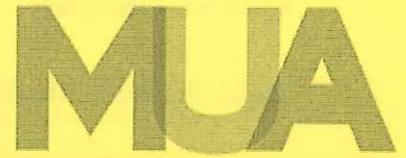


The Chartered
Institute of Logistics
and Transport

The
Management
University
of Africa



Sponsored by the Kenya Institute of Management

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

GLOBAL LOGISTICS

DATE: 22ND FEB 2018

DURATION: 2 HOURS

MAXIMUM MARKS: 70

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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:

HERO BX in Erie, PA is the largest biodiesel production facility in the Northeast region and one of the top 10 in the country. The company was formed in September 2005 and began construction of its production facility in June 2006. HERO BX produced its first approved biodiesel on November 29, 2007 and has been going strong ever since. HERO BX serves the largest and most diverse energy companies in the U.S. and has a reputation for quality products. Not a single shipment has ever been refused. The plant's location on the shore of Lake Erie provides excellent access to road, rail and sea transportation. It is located within 500 miles of many of the major diesel and heating oil markets in the northeastern United States and Canada.

When HERO BX was setting up production in 2006, 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, HERO BX president Michael Noble turned to Jim Berlin, founder and CEO, of Logistics Plus Inc. When HERO BX first began production in late 2007, most of its product was exported to Europe. In 2010, the Renewable Fuel Standard (RFS2) was published opening up a much stronger opportunity for HERO BX in the regional, domestic market throughout the northeastern United States. Additionally, HERO BX needed to address seasonal and annual market demand changes (that often move in parallel with governmental standards) HERO BX would need a logistics program that is flexible and scalable to meet the ebb and flow of a rapidly changing market segment.

(Adapted from <https://www.logisticsplus.net/news/case-studies/>)

QUESTION ONE

- a) Explain five logistical challenges that made HERO BX president Michael Noble turn to Jim Berlin, founder and CEO, of Logistics Plus Inc.

(10 Marks)

- b) After discussing the logistics challenges that HERO BX would be facing after production began, the Logistics Plus team crafted a 4PL managed solution. Discuss **five strategies** that may have been adapted in the 4PL logistics plan.

(5 Marks)

- c) Highlight five criteria that Mr. Michael Noble may have used to assess HERO BX's logistics capabilities before **qualification criteria** that contracting the Logistics Plus Inc. to handle its logistics.

(5 Marks)

- d) Explain five benefits that HERO BX many continue to enjoy as a result of contracting a logistics company.

(5 Marks)

QUESTION TWO

- a) With the use of relevant examples discuss five factors that affect demand for global supply chain logistics

(10 MARKS)

- b) For each factor given above (a), give one strategy of how a country like Kenya can adapt to stay competitive in the global market.

(5 MARKS)

QUESTION THREE

- a) i) Explain **three common modes** of transport that are used to move goods in Kenya across the globe.

(6 MARKS)

- ii) For each mode of transport you have described in (a, i) above, explain **two justification** for its popularity in moving goods across the globe in Kenya.

(6 MARKS)

- iii) For each mode of transport give **one example** of goods transported by each mode of transport

QUESTION FOUR

- a) What are trade agreements

(2 MARKS)

- b) Discuss five major benefits that the East African Community (EAC) member countries would benefit if an agreement was made with the United Nations Economic Commission for Europe (UNECE).

(6 MARKS)

- c) Discuss three factors that may hinder EAC member countries from entering into such a trade agreement.

(6 MARKS)

QUESTION FIVE

- a) Describe three major features of five Incoterms that are applied in the transport of goods in the global market.

(15 MARKS)

QUESTION SIX

MAILU TRANSPORTERS is a local company whose management has recently agreed on strategy to expand their presence in the global market. As an expert in supply chain management discuss how the following business aspects should influence their decision.

- i) Bulk purchasing;
- ii) Economies of scale;
- iii) Just in Time;
- iv) Inventory level;
- v) Stock levels.

(15 MARKS)

1871

1872

1873

1874

1875

1876

1877

1878

1879

1880