

KIBABII UNIVERSITY



UNIVERSITY EXAMINATIONS

**2022/2023 ACADEMIC YEAR
THIRD YEAR FIRST SEMESTER
MAIN EXAMINATION**

**FOR THE DEGREE OF BACHELOR OF BUSINESS
MANAGEMENT**

COURSE CODE: BBL 314

COURSE TITLE: GLOBAL LOGISTICS MANAGEMENT

DATE: 14 DEC 2022

TIME: 8:00-10:00 AM

INSTRUCTION TO CANDIDATES

- 1) The paper contains **FIVE** questions
- 2) Attempt **THREE** questions
- 3) Question **ONE** is Compulsory

TIME: 2 Hours

KIBU observes **ZERO** tolerance to examination cheating

QUESTION ONE (Compulsory)

Case Study - O'Daid Group

Sean O'Daid runs part of a family business in Cork, Ireland, producing a range of natural conditioners for gardens. The main product is peat. This is dug from local bogs owned by the company, dried, shredded to give a uniform texture, treated to remove unwanted material and then compressed for packing into 25 kg and 50 kg bags. These are delivered throughout Ireland, but the highest sales are in the south around Cork, and east around Dublin.

Over the past 20 years, trade has varied, depending on the state of the economy and enthusiasm for gardening (which is often affected by television programmes). A more serious problem is the environmental damage done by peat extraction, and which is encouraging gardeners to look for environmentally friendly alternatives.

O'Daid Garden Products is a small company, but they extract more than 10,000 tonnes of peat a year. Continuing at this rate of extraction, their accessible reserves will last about a century. Sean summarizes this situation by saying, 'we have lots of peat in the ground, but demand is certainly falling, and is likely to go even lower.'

We are actively developing new materials as alternatives to peat, but these are more expensive and will probably be more attractive in the longer term. In the medium term we want to exploit our existing reserves, and get a smooth transition to the new products. In particular, we want to increase current peat production, and start exporting to the UK and the rest of Europe.'

Sandra O'Daid runs another part of the family business. She imports materials to make a range of high-value Celtic jewellery, which she exports to 42 countries around the world. Her materials are largely gemstones and precious metals from South Africa and Australia. Her main exports are to the countries around the Pacific Rim, particularly Singapore and Australia. Last year sales from her traditional customers fell slightly, and she started looking for sales in the Middle East and South America.

- a) How would you compare the logistics requirements of these two parts of the family business? What problems are they each likely to face? How can these be overcome?
(10 marks)
- b) Do you think that expanding internationally is a reasonable strategy for Sean? Can he learn anything from Sandra's experience?
(10 marks)
- c) What major trends do you see in world trade and in the significance of global logistics?
(10 marks)

QUESTION TWO

- a) Discuss the factors that you would consider in the selection of modes of transport. (10 marks)
- b) What are the main differences between logistics within a single country and logistics that span a number of different countries? What are the specific problems of working internationally? (10 marks)

QUESTION THREE

- a) State and explain the phases/stages of negotiation. (10 marks)
- b) What are the advantages of global centralization of the production of components whilst dispersing assembly facilities? For what products might this be done? (10 marks)

QUESTION FOUR

- a) How might the Internet change distribution systems in coming years? (10 marks)
- b) One of the core elements of supply chain management is to have total visibility of cargo flow in the pipeline so that quick response can be achieved. What are the FIVE common technologies used in providing full transparency of consignment status? (10 marks)

QUESTION FIVE

- a) Critique Letter of Credit (LC) as the preferred document in eliminating risks in an international sales contract. (10 Marks)
- b) Describe the services offered by Clearing and Forwarding Agents to facilitate the shipment of goods. (10 marks)