



**UNIVERSITY EXAMINATIONS**

**MAIN EXAMS**

**2022/2023 ACADEMIC YEAR**

**FIRST YEAR FIRST SEMESTER**

**FOR THE DEGREE OF MASTERS OF SCIENCE (LOGISTICS  
AND SUPPLY CHAIN MANAGEMENT)**

**COURSE CODE: LSM 810**

**COURSE TITLE: LOGISTICS AND SUPPLY CHAIN  
MANAGEMENT**

**DATE: 11/08/2023**

**TIME: 8.00AM-11.00AM**

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### **INSTRUCTIONS TO CANDIDATES**

- 1) Answer Question **ONE**(Compulsory) and **ANY OTHER THREE** Questions
  - 2) Candidates must hand in their answer booklets to the invigilator while in the examination room
  - 3) Credit is given for legibility, clarity and use of relevant examples
  - 4) Question **ONE** is **40 marks** while Questions **2-5** carry **20 marks** each
  - 5) Clearly write your **Registration Number** on each answer sheet used
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**TIME: 3 Hours**

**KIBU observes ZERO tolerance to examination cheating**

*reaping cash windfalls in the process. Elsewhere, governments are outsourcing their long-term highway development needs to private operators who will build new toll roads, relieving government of the investment burden while potentially creating large profits for the private operators within the prevailing Bunker Adjustment Factor (BAF) and Currency Adjustment Factor (CAF)."*

**Required:**

(a) Explain the meaning of the following terms as used in Logistics & Supply Chain Management

- i. TEU
- ii. FEU
- iii. Bunker Adjustment Factor(BAF)
- iv. Currency Adjustment Factor(CAF)
- v. RORO

(10mks)

(b) Apart from regulating the carbon emission as captured in the passage above, explain five regulatory requirements in terms of taxes and licenses that a government may impose in road transportation and physical distribution. (10mks)

(c) There is a growing interest of governments in outsourcing their transportation infrastructure to private operators and private ownership. Explain five steps to a more responsible sourcing that can be adopted by the manufacturing industry.

(10mks)

(d) Describe five possible ways of improving the responsible use of power by buyers in the manufacturing industry. (10mks)

**QUESTIONS : SECTION B**

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**QUESTION TWO**

Supply chain management is a process used by companies to ensure that their supply chain is efficient and cost-effective. Kibabii University has engaged you as the new Logistics & Supply Chain Manager. The Vice Chancellor has asked you to streamline the Logistics and Supply Chain process in order to comply with the government regulations.

## SECTION A

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### QUESTION ONE

*Carefully read the passage below and answer the questions that follow:*

*“The rapid adoption of outsourcing in the manufacturing sector has led many companies, when shipping is vital to their businesses, to turn to logistics services providers for all manner of shipping support, including warehousing, scheduling and distribution services. The sectors of transport, supply chain management and logistics services are permanently intertwined; creating efficiencies once undreamed of in the transportation arena. All nations worldwide face a daunting task in maintaining airports, seaports, highways and railroads that can handle commerce and passenger traffic efficiently. The amount of government funds available for roadway development is never enough to keep up with long-term needs. For example, researchers at Texas A&M University’s Texas Transportation Institute estimate that traffic delays cost the U.S. economy \$87.2 billion in 2007 alone.*

*One of the biggest challenges facing the global transportation sector over the mid- to long-term is a focus on lowering carbon emissions and enhancing energy efficiency. (In the U.S., the transportation sector is estimated to create 32% of all carbon dioxide emissions.) Airlines have placed large orders for fuel-efficient jets like Boeing’s new 787, promising efficiency gains of 15% to 20% per passenger mile. Container ship operators are under intense pressure to reduce contamination and emissions while in port and at sea. Automobile and truck manufacturers are struggling to respond to demand for fuel-efficient vehicles. (In the near future, many new cars will be electric drive.)*

*Meanwhile, consumers and government transportation agencies have a renewed interest in high-speed trains and other forms of rapid transit. Trains in many parts of the world are enjoying boom times with many Full Truck Loads (FTL) of TEU and FEU. In addition, high numbers of consumers are turning to buses for their commutes, leaving their gas guzzling cars at home. (U.S. highway miles traveled were down 3.6% in 2008 over 2007, while public transit ridership was up 4% to 10.7 billion trips.)*

*Another massive change is the growing interest of governments in outsourcing their transportation infrastructure to private operators and private ownership. Governments are short of cash. In some cases, they are selling or leasing toll bridges and highways to private operators,*

- (a) Discuss five basic components of Logistics and Supply Chain Management process that would form the basis of your focus (10 marks)
- (b) Explore five goals of Logistics and Supply Chain Management that the Vice Chancellor would be interested in if you achieve (10 marks)

### QUESTION THREE

The Managing Director of Kenya Tourism Board (KTB) has asked you to draw up a Transport Plan for the African Union (AU) Heads of States conference to be held at Kenyatta International Conference Centre (KICC), Nairobi. Considering using Third Party Logistics Service Providers (3PL's) in the Transport Plan:

- a) Discuss the applicability of 3PL's in the expected transport plan (5mks)
- b) Present a case for any Five 3PL's in the transport industry that the Managing Director of Kenya Tourism Board (KTB) would consider using (15mks)

### QUESTION FOUR

Dr. Vimal Shah, the CEO of BIDCO Limited has reminded his Logistics and Supply Chain Management staff that, "Successful Logistics and Supply Chain Management requires decisions on the flow of information, product, and funds that fall into three decision phases."

- (a) Discuss Three decision phases in Logistics and Supply Chain Management that a Fast Moving Consumer Goods (FMCG) firm like BIDCO would pursue. (10 marks)
- (b) Give a comprehensive advice on the Three pillars that would support returns management processes in Fast Moving Consumer Goods (FMCG) supply chain. (10marks)

### QUESTION FIVE

China Bridge Construction Company is examining the best way to implement one of their contracts given by the government of Kenya. Discuss four Supply Chain Management flows that China Bridge Construction Company would consider towards executing their project of building a superhighway from Westland Center through Nairobi City CBD to JKIA. (20 marks)