



*(University of Choice)*

**MASINDE MULIRO UNIVERSITY OF  
SCIENCE AND TECHNOLOGY  
(MMUST)**

**MAIN CAMPUS**

**UNIVERSITY SPECIAL/SUPPLEMENTARY EXAMINATIONS  
2021/2022 ACADEMIC YEAR**

**THIRD YEAR SECOND SEMESTER EXAMINATIONS**

**FOR THE DEGREE  
OF  
BACHELOR OF COMMERCE**

**COURSE CODE:   BCB 332**

**COURSE TITLE:   LOGISTICS MANGEMENT**

**DATE: THURSDAY, 28<sup>TH</sup> JULY 2022**

**TIME: 8:00 – 10:00AM**

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**INSTRUCTIONS TO CANDIDATES**

**ANSWER QUESTION ONE AND ANY OTHER TWO QUESTIONS**

**TIME: 2 Hours**

**MMUST observes ZERO tolerance to examination cheating**

**This Paper Consists of 3 Printed Pages. Please Turn Over. ►**

## QUESTION ONE

Read the report below and answer Questions which follow

### SOUTHERMPTONE CONTAINER TERMINAL LTD.

Southampton is one of the U.K's busiest ports. It covers 176 acres of which 135 acres is container stacking space. On the ship side, the port is 4km from the main international shipping lane around the South Coast of England. The main access channel is dredged to 12.6 metres. This gives 1350 metres of continuous quay, which can handle 4 of the worlds' largest container ships at the same time.

Along the Quays are 13 ship to shore gantry cranes for unloading container ships.

An important factor for unloading containers is the value of the cranes. The cranes have to reach over containers stacked on the deck to lift the neck, one to unload, and the southernmptone cranes have reaches up to 20 containers wide. They can lift to 60 tonnes and there is a floating crane for heavy lifts with capacity of 200 tonnes.

On the land side straddle carriers move containers between the quay and the stack. There are 79 of these, each with capacity of 40 tonnes. The stacking yard sorts containers and keeps them usually in stacks of 4 high, until they are send inland or delivered to a ship at the quay.

Through port is fast, as it is in everyone's interest for the containers to spend a minimum of time in these stacks.

The port is a km from the motorway network, and trucks can make this journey within 5 minutes. The major centres of Birmingham and Cardiff are around 200 km away. Multiline sidings allow fast rail connections, and freightner run a main service of 13 trains a day. These connect to major destinations in the U.K.

Source: Company reports and website [www.sct.uk.com](http://www.sct.uk.com)

- 1a (i) Briefly define the Logistical facility explained in the case above. (2mks)
- ii) Explain the importance of using this facility in logistics activities. (8mks)
- b i) From this facility it can be clearly noticed that intermodal transportation comes into play. Identify the most ideal combination that would serve the business interests in the area. (2mks)
- ii) Kenyan markets are likely not to benefit from this logistical facility. What barriers would make it hard for Kenyan consumers from accessing the benefits of this facility? (8mks)
- (c) "Through port it is fast as it is everyones interest for the containers to spend a minimum time in these stacks."
- i) Identify and explain the waste control method applicable to this scenario in the case. (2mks)

- ii) Outsourcing is one major approach that would be used to decongest the facility in the case. What objectives would such a move achieve in this logistical concern. (8mks)
2. Product recall is defined as a process of moving goods from their place of use back to their place of manufacturer for reprocessing.
- (a) What argument would you put up to justify this logistical function. (10mks)
- (b) Assume that above logistical process regularly takes place between Kenya and India, Discuss the motivating factors for the engagement. (10mks)
3. a) Distribution Resource planning is one of the key logistical functions. What benefits would accrue to a logistical concern using the same in materials Management. (10mks)
- (b) Customer retention guarantees repeat purchases ensuring that a customer keeps coming again and again. Bring out the importance of this concept to a logistics company. (10mks)
4. a) Inventory Management is basically the job for maintaining stock. Clearly bring out the importance inventory Management as a logistical activity. (10mks)
- (b) Safety stock focuses on average inventory that takes care of short term fluctuations in lead time and consumption. Suggest the factors that you think would affect levels of safety stock in National cereals and produce board in Kenya. (10mks)
- 5 a) Each item of inventory has its own criteria of importance, depending upon the type and importance of the inventory, there are variations in the controls employed. ABC analysis is one such method. Explain the disadvantages of using this type of inventory control. (10mks)
- (b) Bench marking is a process of measuring the organization's overall performance against the other organizations from the same industry. What steps should "urgent cargo," a logistics company operating between Mombasa and Kigali take in benchmarking against the surround competitors to enable it stay afloat. (10mks)

