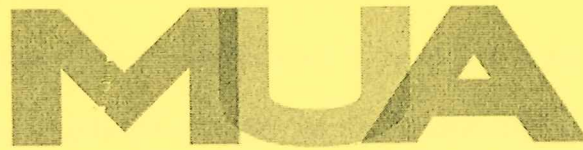


The
Management
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POSTGRADUATE UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

DEGREE OF MASTER OF BUSINESS ADMINISTRATION

LSO 505: TRANSPORTATION AND DISTRIBUTION MANAGEMENT

DATE: 21ST JULY 2022

DURATION: 3 HOURS

MAXIMUM MARKS: 60

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **FOUR (4)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **TWO** questions.
6. Question **ONE** carries **30 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

Transport Is the Life-Blood of the Twenty-First Century Economy

“Transport is the life-blood of the twenty-first century economy”. However, the considerable growth of transportation and related logistics services too, has apart from many benefits also numerous disadvantages: air pollution, increasing damage of nature and ecological systems, destruction of cultural monuments, noise, congestion, accidents and climate change. Transportation and logistics services are increasingly outsourced to large international third party logistics (3PL) providers. This choice is justified by the influence these providers have in the market and by the knowledge and resources. Even though they work with numerous local, small and medium sub-providers, 3PL are increasingly used as global counterparts for globally active focal companies, offering all services from one hand and additionally a global network. Thus, their abilities for changing towards more environmentally adapted transport and logistics solutions is regarded as larger than those of local and smaller transport providers. National legislation in the countries in which 3PL operate may provide regulation on city traffic, air quality limits and certain taxes to enhance the use of alternative fuels, but there are no laws and regulations limiting the environmental impact of 3PL with regard to CO₂-emissions, In their core business, 3PL and all other logistics and transport providers can legally emit as many CO₂-emissions as they want. In many cases, reduction goals are stated by 3PLs or by transport-buying companies, they most often refer to CO₂-reductions. These goals refer to the total activities of a company, but they are also put forward by companies buying goods and services often include transportation and logistics processes. Contrastingly, it seems that many customers do not really know how to integrate transportation and logistics into their own environmental strategy.

This ambiguity arises when the results of questionnaires either do not play any role at all or have only minimal influence on the contract decision. In line with these reviews, a decisive part of the options for environmental actions seems to lie with the transport buying company, as it is this actor who makes the choices on where and how locations are set up and also chooses the service providers, whereas the 3PL is more bound to adapt his services to related customer demands. Therefore, the wider frame of sustainable supply chain management is referred to for providing a conceptual framework, as it includes relationship aspects like integration, cooperation, trust and information sharing, which are stated as important for the success of the environmental management of supply chains. Such relationship aspects also play an important role with regard to if and how environmental issues are taken up in the buyer-supplier dyad between a focal company and a 3PL.

Required

- a) In reference to the case study, "Transport is the life-blood of the twenty-first century economy". However, the considerable growth of transportation and related logistics services have apart from many benefits, have caused numerous problems in Kenya. Justify the statement in relation to economic aspects of transportation in Kenya. **(15 marks)**

- b) From the case study transportation and logistics services are increasingly outsourced to large international third party logistics (3PL) providers. Explain the reasons, merits and demerits of outsourcing to large international third party logistics (3PL) providers. **(15 marks)**

QUESTION TWO

- a) Discuss the Benefits of Effective customs planning in global logistics management and importance of documentation in international transaction

(10 marks)

- b) Nairobi metropolitan is planning to regulate the Matatu transport sector in Central Business District-CBD. Highlight the arguments for regulated passenger transport industry in Kenya.

(5 marks)

QUESTION THREE

- a) Containerization have the basic objective of increasing handling and transport efficiency. Explain the Benefits of Rigid Containerization.

(5 marks)

- b) In many parts of the world national governments have recognized the need to regulate road transport activities. Discuss the main areas that should be targeted by traffic laws in Kenya.

(10 marks)

QUESTION FOUR

- a) Discuss Five INCOTERMS and their applications in international logistics management.

(5 marks)

- b) Elaborate on the challenges of transportation operations in a country like Kenya.

(10 marks).