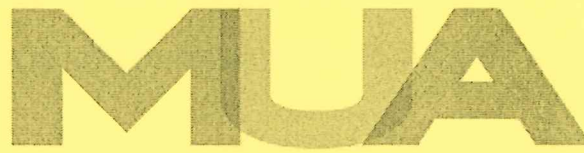


The
Management
University
of Africa



Sponsored by the Kenya Institute of Management

POSTGRADUATE UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

DEGREE OF MASTER OF MANAGEMENT ADMINISTRATION

LSO 505: TRANSPORTATION AND DISTRIBUTION MANAGEMENT

DATE: 31ST MARCH, 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

KIWI TRANSPORTATION COMPANY- FLEET MANAGEMENT

Kiwi transport company (KTC) was incorporated in New Zealand and began business of ferrying leisure travellers and commercial goods across the country. It was one of the privately owned companies in the country. Prior to the company's acquisition by the current owner, it had survived many challenges, including the introduction of the railroads, buses and automobiles; economic ups and downs and world economic crisis. Over the years ferries operated by KTC had become an integral feature and were used by commuters, commercial vehicles, and visitors. New ferries joined the fleet and tour cruisers were introduced to attract the tourists market. However, recent years KTC had seen the margin on some of its routes drop, in some cases dramatically. The managing director wondered if it was time to radically restructure the KTC fleet.

Fleet management options

Like all other boat companies the KTC had to consider when to replace its boats. Fleet management decisions were governed by a number of factors, such as volume of traffic, route demand, and fuel prices. Influenced the need to replace boats. Older boats used more fuel and required additional maintenance. New boats tended to be more dependable and consistent and had lower operating costs.

Meanwhile, tourists on longer scenic crossing are more concerned about food and beverages provisions onboard than the actual layout and look of the boats. The Company had to decide if aging boats should be replaced or upgraded or lease or outsourced. A replacement of ferry of up 216 feet in length with a capacity to carry more passengers would cost more with additional cost associated with the purchase would bring the total price tag in millions of dollars. If the company purchased the new vessel will reduce the frequency of crossings. Of the ferry. The tentative plan that management had prepared crossings by the firms' vessel from twelve to fourteen crossings a day. This will improve the efficiency and customer satisfaction of ferry users every day.

Required

- a) In recent years KTC had seen the margin on some of its route drop, in some cases dramatically. The managing director wondered if it was time to radically restructure the KTC fleet. Elaborate areas the company should restructure in its operations **(15 marks)**
- b) The Company had to decide if ageing boats should be replaced or upgraded or lease or outsourced. Analyse these decisions and advise the company the best option to purchase. **(15 marks)**

QUESTION TWO

- a) Explain how the Corona-virus (COVID19) affects the trends in logistics and supply chain management (5 marks)
- b) Discuss five key elements of international trade which are important for logistics decision making. (10 marks)

QUESTION THREE

- a) Elaborate the link between transport, logistics and distribution (5 marks)
- b) Explain the Paradigm Shift in Public Transportation after COVID-19 in Kenya (10 marks)

QUESTION FOUR

- a) Discuss the factors that should be considered when selecting potential third party logistics contractors and drivers for third party logistics (3PL) (5 marks)
- b) Public Transport Management system has been greatly affected in Kenya during Covid-19 pandemic. Explain the measures the government should undertake to mitigate the growth of transport system. (10 marks).