



SEPTEMBER 2015

LOGISTICS & SUPPLY CHAIN MANAGEMENT

Instructions to candidates:

- a) Time allowed: Three hours (plus an extra ten minutes' reading time at the start – do not write anything during this time)
 - b) Answer any FIVE questions
 - c) All questions carry equal marks. Marks for each question are shown in []
1. In the context of 'Logistics and the Supply Chain', two commonly used strategies that have different logistics implications are COST and TIME.
- a) Identify the characteristics (volume, stability of demand, frequency of product updates, length of lifecycle, etc.) of a product, for which a COST based strategy might be appropriate. [5]
 - b) Identify the characteristics (volume, stability of demand, frequency of product updates, length of lifecycle, etc.) of a product, for which a TIME based strategy might be appropriate. [5]
 - c) COST and TIME have different logistics implications. Discuss the trade off between these two logistics strategies (how COST and TIME based strategies work against each other). [10]
2. Serving the customer has become increasingly challenging, as 'satisfied customers' are increasingly hard to find, due to widespread changes in the world we live in. Two of the major changes are – rising customer expectation and the information revolution.
- a) Explain:
 - i what expectations have risen in line with [2]
 - ii the main causes for this increase in expectation [3]
 - iii the direct result of these rising expectations [5]
 - b) Explain how the information revolution has impacted upon:
 - i Business to Consumer (B2C) relationships [5]
 - ii Business to Business (B2B) relationships [5]
3. In the context of representing logistics costs:
- a) When considering the effect of 'volume of activity' on costs, explain the following with the aid of an example:
 - i fixed cost [5]
 - ii variable cost [5]
 - b) When analysing costs in terms of whether or not they can be tied to a specific product, explain the following with the aid of an example:
 - i direct costs [5]
 - ii indirect costs [5]
4. In the context of managing logistics internationally:
- a) Why does global consolidation occur? [5]
 - b) Explain how this approach affects sourcing, concentration and transportation. [15]
5. In the context of P:D ratios, evaluate:
- a) P-time [10]
 - b) D-time [10]
6. a) Describe Just In Time thinking. [10]
- b) Define:
 - i 'Pull Scheduling' [5]
 - ii 'Push Scheduling' [5]

7. In the context of partnerships in the supply chain:
- a) State any FIVE characteristics/prerequisites that cooperative relationships or partnerships are based upon. [10]
 - b) Explain the advantages of partnerships in the supply chain. [5]
 - c) Explain the disadvantages of partnerships in the supply chain. [5]
8. List FIVE common practices that companies adopt for the benefit of sales or financial reporting, that actually hurt supply chain efforts. [20]