CONFIDENTIAL

UNIVERSITI KUALA LUMPUR
MALAYSIAN INSTITUTE OF INDUSTRIAL TECHNOLOGY

FINAL EXAMINATION
JANUARY 2016 SEMESTER

SUBJECT CODE	:	JLD 22102
SUBJECT TITLE	:	FUNDAMENTAL OF INTERNATIONAL LOGISTICS
PROGRAMME LEVEL	:	DIPLOMA
DATE	:	18 MAY 2016
TIME	:	2.30 PM – 5.30 PM
DURATION	:	3 HOURS

INSTRUCTIONS TO CANDIDATES

1. Please read the instructions given in the question paper CAREFULLY.
2. ~~This question paper is printed on both sides of the paper.~~
3. This question paper consists of TWO (2) parts. Part A and Part B.
4. Answer ALL questions in Part A and answer FOUR (4) questions ONLY in Part B.
5. Please write your answers on the answer booklet provided.
6. Answer all questions in English.

THERE ARE 4 PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

SECTION A (Total: 60 marks)

INSTRUCTION: Answer ALL questions.
Please use the answer booklet provided.

Question 1

In managing export shipments, an international company especially involving with manufacturing by importing raw material and then exporting its inventory to other countries would consider taking the advantages of using a host country's Free Trade Zone (FTZ) as a strategic location of its' factory. This would allow the company to minimize the cost of operations in terms of import tax and logistics activities.

(a) Classify **THREE (3)** the advantages of Free Trade Zone (FTZ) with appropriate examples.

(8 marks)

(b) Identify those documentation required in FTZ movement and relate to the export shipment activities involved.

(6 marks)

(c) Apply the role of export facilitator in an export shipment with appropriate example.

(6 marks)

Question 2

Foreign Direct Investment (FDI), International Joint Venture (IJV) and Licensing are some of significant tools in expanding business in International Business. Malaysia is currently active inviting many International companies to come and invest in Malaysia to stimulate the country economic growth.

(a) Define "Outsourcing" and "Offshoring" with examples. (4 marks)

(b) Define Foreign Direct Investment, International Joint Venture and Licensing with companies as examples.

(10 marks)

(c) Describe the advantages of these tools.

(6 marks)

Question 3

Many might not realize that "Logistics" is one of the several utilities in life other than water, electricity and telecommunications. International business require international logistics to feed the movement of people and cargo from one part of the world to another.

(a) Define "Globalization" in the context of International Logistics with appropriate examples.

(4 marks)

(b) Describe the **THREE (3)** types of Globalization which is widely being applied by International companies around the world with appropriate examples.

(12 marks)

(c) Classify the factors contributing to the uprising of Globalization activities in business today.

(4 marks)

SECTION B (Total: 40 marks)

INSTRUCTION: Answer FOUR (4) questions only.
Please use the answer booklet provided.

Question 1

The European Union (EU), North America Free Trade Agreement (NAFTA), Association of Southeast Asian Nations (ASEAN) and Caribbean Community (CARICOM) are among a few of the World Trade Organization (WTO) being established and formed by countries of the world according to region. Each member country able to gain benefits from the Free Trade Agreement (FTA) set via integration mutual understanding and importance. The concept mimics the idea of the bigger you are the stronger you will be. Example, Vietnam is perceived stronger against the rest of the developed world rather than the country stand alone. Classify the **TWO (2)** objectives of World Trade Organization (WTO) and identify **TWO (2)** countries of EU, **TWO (2)** of ASEAN and **ONE (1)** of NAFTA.

(10 marks)

Question 2

The Global Marketplace is a challenging and not all International company venture into International Business achieve sustainable success. In developing the global strategy and to succeed in global markets, enterprises and logistics professionals must be mindful of the factors that drive changes in the international movement of goods. Explain the factors influencing a company in the event of considering to expand business in a different country.

(10 marks)

Question 3

A company must consider the financial aspects of Global Logistics seriously, in order to remain competitive and sustain in Global Marketplace while organizing for global logistics. Evaluate these financial aspects of Global Logistics: Transportation, Tariff and Taxes, Return and Reverse Logistics, Quality Assurance and Information Technology (IT) infrastructure.

(10 marks)

Question 4

There are several Logistic Service Providers (LSP) carrying out logistics activities according to their expertise, role, functions and licenses. Among the logistics providers are activities are trucking, haulage, customs brokerage, shipping lines, public warehouses, packaging and fumigating and many more.

(a) Identify the functions of Freight Carriers, Freight Forwarders and Agencies with examples.

(6 marks)

(b) Distinguish Logistics Service Providers (LSPs) and Third Party Logistics (3PLs) with examples.

(4 marks)

Questions 5

Cost – Trade-off Analysis is defined as a technique of reducing or forgoing one or more desirable outcomes in exchange for increasing or obtaining other desirable outcomes in order to maximize the total return or effectiveness under given circumstances. Often companies or organizations face issues in decision making and Trade-off analysis is one of the tools to measure the effectiveness of the decision making process. Explain **THREE (3)** benefits and **TWO (2)** uncertainties issues that cannot be controlled by Trade-off Analysis.

(10 marks)

END OF EXAMINATION PAPER