



UNIVERSITI KUALA LUMPUR
Malaysian Institute of Marine Engineering Technology

FINAL EXAMINATION
JANUARY 2016 SESSION

SUBJECT CODE : LOB 30503
SUBJECT TITLE : INTERNATIONAL LOGISTICS
LEVEL : BACHELOR
TIME / DURATION : 8.00 AM-11.00 PM / 3 HOURS
DATE : 15 MAY 2016

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. Please write your answers on the answer booklet provided.
 4. This question paper consists of TWO (2) sections; Section 'A' and Section 'B'. Answer all questions in Section 'A' and THREE (3) questions only from Section 'B'.
 5. Answer all questions in English.
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THERE ARE 3 PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

1. Introduction

2. Methodology

3. Results

4. Conclusion

5. References

6. Appendix

7. Tables

8. Figures

9. Summary

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11. Glossary

12. Notes

13. Footnotes

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16. Glossary

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SECTION A (Total: 40 marks)**INSTRUCTION: Answer ALL questions.****Please use the answer booklet provided.****Question 1**

The terms of trade, which depend on the world supply of and demand for the goods involved, indicate how the gains from international trade will be distributed among trading countries. If the prices of a country's exports rise relative to the prices of its imports, one says that its terms of trade have moved in a favorable direction, because it now receives more imports for each unit of goods exported. **Describe what the functions of export companies as below:**

- a) Export Distributor (5 marks)
- b) Custom house broker (5 marks)
- c) Trading Company (5 marks)
- d) Non- Vessel- Operating Common Carrier (NVOCC) (5 marks)

Question 2

A firm participating in global logistics faces the uncertainties to control foreign traffic movements. By using the terms of shipment might determine who is responsible for the stages of delivery, who bears what risks and who pays for the transportation. **Describe the terms of trade as below:**

- a) Cost & Freight (C&F) (5 marks)
- b) Ex origin (5 marks)
- c) Freight On Board (FOB) (5 marks)
- d) Cost, Insurance & Freight (5 marks)

SECTION B (Total: 60 marks)**INSTRUCTION: Answer only THREE (3) questions.****Please use the answer booklet provided.****Question 3**

Logistics is the concept which seeks provide for the management and co-ordination of the activities within the supply chain from sourcing and acquisition through production, where appropriate, and on through distribution channels to the customer. The goal of logistics is the creation of competitive advantages through the simultaneous achievement of high customer service levels, optimum investment and value for money. Under definition of logistics, the **lowest total cost** definition are divided by two (2) categories which are service benefits and cost minimization. Explain the **TWO (2) categories** under lowest total cost. (20 marks)

Question 4

A free-trade area is the region encompassing a trade bloc whose member countries have signed a free trade agreement (FTA). Such agreements involve cooperation between at least two countries to reduce trade barriers for import quotas and tariffs and to increase trade of goods and services with each other. **Evaluate the opportunities and challenges facing firms seeking to market products in the following regions:**

- a) North America (NAFTA) (10 marks)
- b) Western Europe (EU) (10 marks)

Question 5

A firm participating in global logistics faces a financial environment quite different from that of a strictly domestic firm. It has concern about currency exchange rates, costs of capital, the effects of inflation on logistics decisions and operations, tax structures and other financial aspects of performing logistics activities in foreign markets.

a) An increasing number of firms are engaging in international marketing and distribution.

Examine why setting strategies are important to logistics? (8 marks)

b) *Discuss how "letters of credit (L/C)"* are used in international business transactions.

(12 marks)

Question 6

The typical order to delivery process involved order creation and transfer, which was usually via telephone, fax, electronic data interchange (EDI) followed by order processing which involved the use of manual or computer systems, credit authorization and order assignment to warehousing for processing. **Examine how the logistics management information system** is used to support planning of logistics operations? (20marks)

END OF QUESTION

