



**UNIVERSITI KUALA LUMPUR**  
**Malaysian Institute of Marine Engineering Technology**

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**FINAL EXAMINATION**  
**OCTOBER 2025 SEMESTER SESSION**

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<b>SUBJECT CODE</b>	<b>: LOD21003</b>
<b>SUBJECT TITLE</b>	<b>: FREIGHT FORWARDING</b>
<b>PROGRAMME NAME</b> (FOR MPU: PROGRAMME LEVEL)	<b>: DIPLOMA IN MARITIME MANAGEMENT</b>
<b>TIME / DURATION</b>	<b>: 09.00 AM - 12.00 PM</b> <b>(3 HOURS)</b>
<b>DATE</b>	<b>: 30 JANUARY 2026</b>

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**INSTRUCTIONS TO CANDIDATES**

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1. Please read **CAREFULLY** the instructions given in the question paper.
  2. This question paper has information printed on both sides of the paper.
  3. This question paper consists of **TWO (2)** sections; Section A and Section B.
  4. Answer **ALL** question in Section A, and **THREE (3)** questions **ONLY** in Section B.
  5. Please write your answers on the OMR for Section A and on answer booklet provided for Section B.
  6. Please write your answers on this answer booklet provided.
  7. Answer **ALL** questions in English language **ONLY**.
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**THERE ARE 9 PAGES OF QUESTIONS, INCLUDING THIS COVER PAGE.**

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**SECTION A (TOTAL: 25 MARKS)****INSTRUCTION: ANSWER ALL QUESTIONS.****Please use the OMR sheet provided.**

1. Which option best explains what a freight forwarder mainly does?
  - A. Produces products for overseas shipment
  - B. Creates and enforces international trade laws
  - C. Coordinates cargo movement and oversees logistics activities.
  - D. Performs customs inspections on goods.
  
2. What is a key duty when assessing customs-related facilities and incentive offerings?
  - A. Calculating shipping costs for exporters.
  - B. Reviewing policies and processes for duty or tax exemptions approved by the Minister of Finance.
  - C. Managing airline freight schedules.
  - D. Monitoring exchange rates.
  
3. Which legislation allows companies to request remissions for customs duties or taxes?
  - A. Customs Regulation 2010.
  - B. Excise Act 1976.
  - C. Section 14A of the Customs Act 1967.
  - D. Sales Tax Act 2018.

4. What makes freight forwarders important providers of complete logistics services?
  - A. They perform inspections to verify product quality.
  - B. They manage the full shipping process from origin to delivery.
  - C. They create demand forecasts for retailers.
  - D. They operate customs border checkpoints.
  
5. In what way do freight forwarders work with transportation carriers?
  - A. By preparing meals for crew members.
  - B. By providing on-board inspection services.
  - C. By negotiating transport rates, securing cargo space, and arranging the movement of goods.
  - D. By inspecting goods for quality control.
  
6. What role do freight forwarders play in protecting cargo during transit?
  - A. By issuing medical insurance to cargo handlers.
  - B. By advising exporters/importers and arranging insurance for shipments.
  - C. By inspecting goods upon arrival.
  - D. By setting prices for insurance companies.
  
7. What is the main purpose of a commercial invoice in international trade?
  - A. To calculate warehouse rental fees.
  - B. To track employee performance.
  - C. To book cargo space with carriers.
  - D. To declare the value of goods for customs clearance.
  
8. Who is normally responsible for preparing and providing the commercial invoice in international trade?
  - A. Freight forwarder.
  - B. Customs officer.
  - C. Exporter or seller.
  - D. Shipping line.

9. In customs terminology, what does “movement” typically refer to?
- A. Exporting goods to another country.
  - B. Transferring duty-paid goods between retail outlets.
  - C. Transferring duty-unpaid goods within the Principal Customs Area (PCA).
  - D. Transporting passengers between customs checkpoints.
10. How does the Royal Malaysian Customs (RMC) contribute to consumer protection?
- A. By enforcing regulations against unsafe or hazardous imported products.
  - B. Banning all imports during peak seasons.
  - C. Ensuring process of import and export.
  - D. Managing customer complaint centers.
11. What is the main purpose of the K8 form in Malaysian customs procedures?
- A. To declare imported goods for sale in Malaysia.
  - B. To document goods in transit through Malaysia to another country.
  - C. To apply for tax exemption on local purchases.
  - D. To register for a new bonded warehouse.
12. Which Malaysian law regulates the prohibition of certain imports and exports?
- A. Customs Act 1967.
  - B. Sales Tax Act 2018.
  - C. Companies Act 2016.
  - D. Employment Act 1955.
13. When is a K2 form required in Malaysian customs procedures?
- A. Importing electronics from Korea to Malaysia.
  - B. To declare goods being exported from Malaysia.
  - C. Moving goods between warehouses in Malaysia.
  - D. Selling local goods to domestic retailers.

14. Which types of goods are subject to excise duty in Malaysia?
- A. Only exported goods.
  - B. Only on services provided in Malaysia.
  - C. Locally manufactured or imported dutiable goods.
  - D. On all food and beverages sold in Malaysia.
15. What must a company obtain to legally manufacture excisable goods in Malaysia?
- A. Registration with the Ministry of Finance.
  - B. A license under Section 20 of the Excise Act 1976.
  - C. Approval from the Department of Statistics.
  - D. An import license.
16. In which situation would a company most likely apply for a customs duty drawback?
- A. When goods are imported and sold locally.
  - B. When goods are imported for government use.
  - C. When importing personal belongings.
  - D. When imported goods are later exported after processing.
17. What does a customs duty drawback refer to?
- A. A penalty charged on imported goods.
  - B. A license for tax-free imports.
  - C. A refund of duties paid on imported goods that are later exported.
  - D. An increase in import duties for luxury goods.
18. Is it possible for a foreign company to own an International Procurement Centre (IPC) in Malaysia?
- A. No, it must be locally owned only.
  - B. Yes, IPCs can be owned by either local or foreign companies.
  - C. Only foreign government-owned companies qualify.
  - D. Only joint ventures are allowed.

19. Regarding expatriate positions, what is a condition for companies granted IPC status?
- A. They are automatically given unlimited expatriate posts.
  - B. Expatriate posts will be approved based on the IPC's requirements.
  - C. Expatriates are not allowed in IPC companies.
  - D. Only local staff are permitted to hold management positions.
20. What is a common challenge freight forwarders face in managing documentation and communication?
- A. High storage costs for goods.
  - B. Overdependence on digital communication.
  - C. Difficulty tracking multiple pieces of information.
  - D. Lack of training on customer service.
21. How does Electronic Data Interchange (EDI) benefit freight forwarders and logistics companies?
- A. By increasing the number of face-to-face meetings.
  - B. By enabling faster and more accurate exchange of information, reducing manual data entry.
  - C. By eliminating the need for customs clearance.
  - D. By printing shipping labels automatically.
22. Due to changing consumer expectations, what is commonly demanded by shippers today?
- A. Manual documentation.
  - B. Expensive and delayed delivery.
  - C. Complete shipment visibility and real-time tracking.
  - D. Minimal communication with customers.

23. Even when data is not lost, what is a hidden cost of having a disorganized communication system?
- A. Increased staff turnover.
  - B. Extra tax penalties.
  - C. Loss of market access.
  - D. Time wasted sorting and managing information.
24. In logistics, what are "granular status updates"?
- A. Regular staff performance reviews.
  - B. Frequent and detailed updates on shipment location and condition.
  - C. Daily inventory checks.
  - D. Tax invoice breakdowns.
25. What is the main objective of optimizing an international logistics network?
- A. To reduce the number of warehouses globally.
  - B. To increase the complexity of the logistics system.
  - C. To improve efficiency and lower costs in global shipping.
  - D. To eliminate the need for documentation.

**SECTION B (TOTAL: 75 MARKS)**

**INSTRUCTION: ANSWER ONLY THREE (3) QUESTIONS.**

**Question 1**

When handling international shipments, freight forwarders must prepare accurate documents to ensure smooth customs clearance and compliance with national regulations.

- a) List FIVE (5) essential customs documents required for export operations.  

(5 marks)
- b) Explain FIVE (5) roles of a freight forwarder in assisting exporters during customs clearance.  

(10 marks)
- c) Examine FIVE (5) consequences of incorrect or incomplete customs documentation.  

(10 marks)

**Question 2**

Efficient cargo handling ensures goods are protected, properly stored and safely transported throughout the supply chain.

- a. List FIVE (5) types of cargo commonly handled in freight forwarding activities.  
(5 marks)
- b. Discuss FIVE (5) safety considerations when handling dangerous goods (DG).  
(10 marks)
- c. Examine FIVE (5) advantages of containerization in international shipping.  
(10 marks)

**QUESTION 3**

Customs duties protect local industries, generate government revenue and regulate import activities.

- a) Identify FIVE (5) types of taxes/duties imposed by Customs Malaysia.  
(5 marks)
- b) Discuss FIVE (5) factors used by customs officers to determine the value of imported goods for duty calculation.  
(10 marks)
- c) Examine FIVE (5) purposes of imposing import duty on selected goods.  
(10 marks)

**Question 4**

Efficient cargo movement in international trade requires coordination among multiple supply chain partners, including carriers, freight forwarders, port operators and customs authorities.

- a) Identify FIVE (5) key stakeholders involved in international cargo movement.  
(5 marks)
- b) Discuss FIVE (5) challenges faced in international cargo movement.  
(10 marks)
- c) Examine FIVE (5) ways technology improves coordination in global supply chains.  
(10 marks)

**END OF EXAMINATION PAPER**

