

**NAROTTAM MORARJEE INSTITUTE OF SHIPPING
MUMBAI**

Examination Paper – March 2024

Fellowship / Advance Diploma in Shipping Management & Logistics – Final year

LOGISTICS MANAGEMENT

13.03.2024

Total 80 Marks

Time: 3 Hours.

Question 1 is compulsory. Attempt any other FOUR Questions

1. “Logistics has become an enormously important component of the Gross Domestic Product of industrialized nations.” Explain this statement and bring out its validity.
2. Explain the different types of distribution channels and discuss their importance in Supply Chain.
3. Write a note on air cargo transportation bringing out all its advantages. Explain what is a “ULD” (Unit Load Device).
4. Explaining the following terms :
 - i. Carnet
 - ii EDI
 - iii. Duty Drawback
 - iv. Purchase Order
5. Explain the different types of ‘cold storage’. What are the problems associated with cold storage management in India.
6. Write short notes on:
 - a. Inventory Management
 - b. 3PL and 4PL
7. Explain the fundamentals of a good customer service.
8. What is the meaning of ‘outsourcing logistics’? Explain the advantages of outsourcing logistics.
9. Explain Logistics Information Systems.

Q	1	2	3	4	5	6	7	8	9	10	11	12	Total
M	11	11				11	9	11					53

WRITE BELOW

Q.1

Ans

Introduction:

Logistics is transportation or sending goods from its point of Origin to destination. In today's world logistics has gained so much significance. It's like everyday activity. In early days there was not much importance given to logistics but as the technology is has update so much, so that with increasing technology and various software, logistics has become way more easier than it was before.

Logistics is planning, ~~and~~ co-ordination, scheduling, organizing, properly executing, evaluation, tracking. With all these things if adopted, it can be a well executed shipment. Due to ~~road transportation~~ logistics, transportation through road has also increased efficiency. Also road transport has make the work much more easier it as it provides door to door service to its user. So basically, logistic is the transportation of goods from one place to another.

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There are various mode of transport through which goods can be transported from it's place of origin to the end user. They are as follows.

1. Road
2. Rail
3. Airway
4. Sea

Above modes have their own characteristics and advantages.

1. Road :

Road transport helps providing goods door to door also it the most suitable mode of transportation for short distances and it's also advantageous for loading of heavy cargo.

2. Rail :

Rail is one of the efficient way of transporting bulky goods like ore, coal. It is also less time consuming and favourable for both ~~and~~ short & long distances.

3. Airway :

For transporting perishable or time sensitive goods then this is preferable mode of transporting.

3. Sea:

Shipping goods through sea transport is good for bulk cargo or container containerized cargo like pallets boxes etc. Also it's the most economical mode for long distance or transporting internationally.

As we seen above, as the time changed logistics industry grew so much. And transportation started taking place through every mode. Logistics helps do to business with so much ease. Freight forwarder also provides logistic services. Below are some of points which shows why logistics become the important component of Gross domestic product.

- Ease in business
- Emerging Technology
- Trade liberalization
- Cost effective
- SEZ's
- ✓ → Logistics providers
- Infrastructure

1. Ease in business:

As the logistics was before difficult, it is now easily done through intermediaries like freight brokers, agents, ~~increase~~ development of infrastructure leading to increase of transportation facilities. Now a days even in remote area there are facilities given to exporters or importers to import or export goods or manufacturing it, which led to increase in logistics.

2. Emerging technology:

Using various tools, tracking websites, or software's, the sender or receiver of the goods can track the shipment and can be sure that his goods are secure. So due to emerging technology people have started keeping faith on the transporter that his goods are safe and be can be reach efficiently and safely at the destination.

3. Trade liberalization:

As the government approve for trading all over the world which led to the businesses explore more or creative for surviving in the competent market. Also there ^{were} lot of imports ~~star~~ from international countries ~~star~~ started due to liberalization and exports too. which led to increase in foreign currency and development of logistics industry.

4. Cost effective:

Logistics is so cost effective, it can handle the goods effectively if planned properly and executed well enough. The main factors which can make logistics cost effective would be:

- i) Planning
- ii) Controlling
- iii) Organizing
- iv) Handling with due diligence
- v) And Scheduling every as per the user need.

5. SEZ's

Government started giving benefits to people who were doing business on national border which is called special economic zone. The reason behind this was increase and developing business and encourage people to trade in special economic zone also. This also led to the increase in shipping & logistics.

6. Logistic's provider:

There are now numerous logistics provider who can help & assist business person to transport their goods with efficiency as they are the specialist in logistics. They could be involve in distribution of goods, supply chain management etc.

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7. Infrastructure:

And again as increase in logistics there were increase in infrastructure like roads, rails, ports etc. And maintaining them properly for commercial trade. Infrastructure also plays vital role if there is logistics because the infrastructure cannot be negligent if there is transportation of goods from one place or other or from one country to another country.

So, taking into consideration all the above points and because of that components logistics gained much more importance and today it is an important part of gross domestic product. Logistics have also provided employments to so many people. And as it impacts GDP, it's connected to inflation, interest rates, productivity and so many other things.

Q2.

Ans Introduction:

In this competitive and cruel market it's so much difficult to compete with the businesses. Distribution channel is the way you can render your services or products to the end user with so much efficiency and effectively. Distribution is an important aspect in any business. You cannot keep the goods idle, there should be proper distribution channel who assist you in this.

For example :

You are a manufacturer of Soap & you have manufactured it and kept it in your warehouse only or at the limited places. If consumer ~~want~~ want that Soap he will go to his/her nearby shop & if he will not find that Soap there he/she may take some another, as it will be a inconvenience for him/her to come somewhere else just to buy the Soap. And due to which it incurs loss of sale.

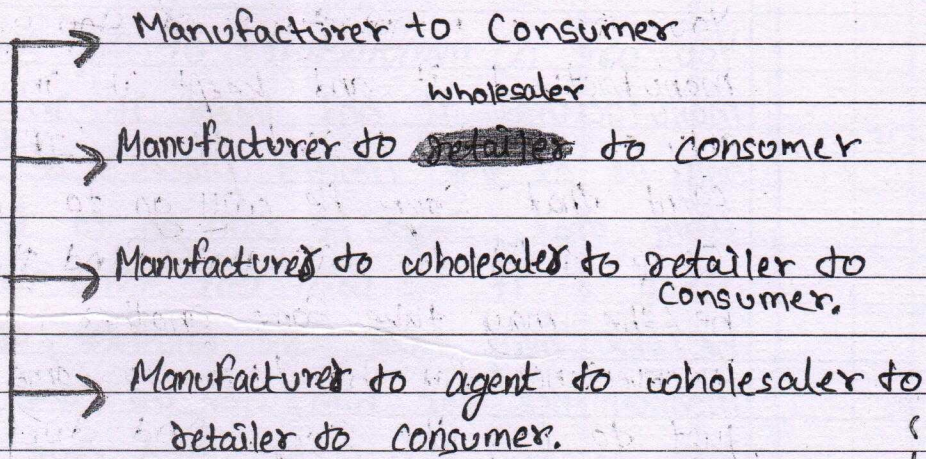
So it will not work like that and you will need to have a proper distribution channel so that your product can reach the consumers easily and efficiently. There are two types of distribution channel.

1. Consumer distribution channel
2. Industrial distribution channel.

The industrial distribution channel is smaller than of consumer channel as the industrial channel mostly has direct relation with consumer's or close relation with the user.

Consumer distribution channel has to undergo through various people as there are a lot of people involve due to which direct channel may not be feasible for the manufacturer or supplier.

Consumer Industrial Channel.



1. Manufacturer to Consumer:

The first case is manufacturer directly providing goods to his consumer without mediator in between. This is also cost saving and simple method.

2. Manufacturer to wholesaler to consumer:

In this type, the manufacturer gives its goods or sells its to manufacturer in bulk & then the wholesaler ~~then~~ sales it the consumer maybe at less than retail price, as he has received it in bulk from manufactures and in view of that he also could have received it at economical price. This is the reason why wholesale price is lesser than retail price.

3. Manufacturer to wholesaler to retailer to consumer:



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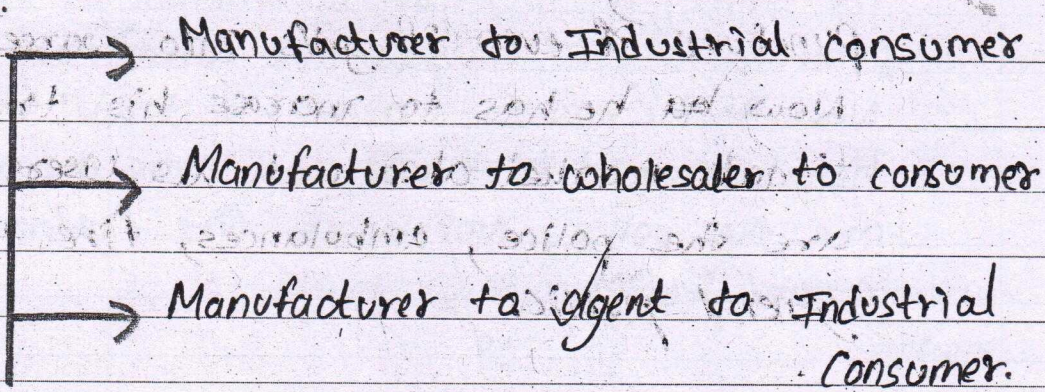
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The goods from manufacturer goes to wholesaler first and the wholesaler then sells it to retailer. The retailers take the minimum quantity of goods as maybe he do not have much storage space or area to store the goods. And the retailer then sells it to the final consumer.

4. Manufacturer to agent to wholesaler to retailer to consumer:

There's a sales team who works and looks for the vendor of goods. And gets commission for the same. This agent makes the communication with the wholesaler and the manufacturer. And as per this the goods flow from manufacturer to the agent who communicated, to wholesaler, the wholesaler then sell the goods to retailer and it final reaches to the end consumer.

Industrial distribution channel



1. Manufacturer to Industrial Consumer:

As there is bulk of cargo and due to the close relations with consumer the goods or cargo or product goes from manufacturer to the Industrial consumer. The goods being traded in this channel would be the fixed assets or capital equipments or goods.

2. Manufacturer to wholesaler to consumer:

The goods from manufacturer sold to wholesaler who then provides it to the industrial consumer.

3. Manufacturer to agent to Consumer:

The goods are given to the agent from the manufacturer to save the cost, he then gives it to the industrial consumer.

Let's understand this distribution channel with example:

One company is there producing tyre & ensuring the safety of it, that it will not get break or puncture if ever it gets into worse road condition. Now he has to increase his trade in international market also and his users are usually are the police, ambulances, fire fighters, or general public.

So now, to sell it to government there he cannot directly contact the government of there & so he hire agent over there who ensure the safety of fire to government. So this is the indirect distribution of goods.

And on the other hand, if the general public take 4 to 5 units daily, it will be not practical for him to attend the individually so he sells the to retailers for selling to end users. This is the direct distribution to the general public.

Ans.

Inventory management is the essential thing in any business. Managing inventory in proper way can lead to increase in profit margins.

Whereas if not managed properly it can have a bad impact on profit and customer review. Also it will lead to an delay to provide the goods to consumer. There are many ways of managing inventory like manually, in spreadsheet or excel sheet or automated. But there are high chances of error in recording inventory through spreadsheet or excel and may incur loss or delay. Also manually checking will always keep you behind of what's the actual inventory. It's always better to have some verified software for inventory management. As far as the business is small, manual inventory will be workable.

(b)

It is not clearly known till now that who emerged the 3PL i.e. third party logistics. Basically the third party logistics is giving the secondary work to third party so that you have to focus on your primary work or business. Third party logistics help a lot in managing business effectively. They will keep the records of everything and will manage the work accordingly. And four party logistics is as similar of third party logistics. It's like allotting your logistics work to some other person or company who are capable and expert in handling. In 4PL, it happens the activity provided to 3PL is outsourced & it then happen to four party logistics.

Q.7.

Introduction

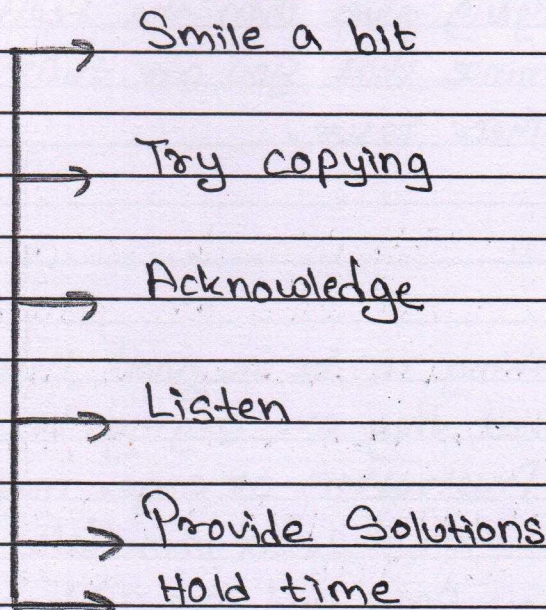
A good customer service is always essential for a ~~success~~ business to be successful. Any firm or business regardless of the size, should have the good customer service through which they can know the problems faced by the customers or the review behind it. There should be always 24x7 service given. Other than taking reviews only through the forms it is also necessary to take the update on phone call for understanding it better. ~~also~~ Further the service should be given to customer before implementing and also after the completion of service, or goods sold or post shipment.

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Below are some fundamental of a good customer services



1. Smile a bit :

While taking on a call you should not sound rude. Let the customer know that you are there to solve their problems kindly. Be kind to them. Let them know your positive aura, give the assurance with a smile.

2. Try copying :

While speaking with customer, try to copy them. Not their accent otherwise it would feel like you are making fun of them. You have copy their words so that they understand it better and quickly.

3. Acknowledge:

A consumer will always feel that they are not heard. So first acknowledge them & the issue they are facing. Acknowledging gives them the feeling of confirmation and assurance that you are there to give them solution their issue.

4. Listen:

The first & foremost thing is be a good listener. Let them complete what they are saying, because they will be already in frustration or anger maybe due the problem, so calm them down. Let them talk first completely. And then you speak and give guidance to them regarding the issue. In anger, customer will always believe that they are not getting hear properly.

5. Provide Solution:

9.8

After listening the whole problem give them the exact solution of that issue. Also explain them that what wrong they were doing due to which these problem is arising. It's always better to summarize the solution to customer for better understanding of them.

6. Hold time:

Don't keep the customer on hold for so much long

time, This will not create a very good image of customer service. The customer will feel that they are getting ignored. So communicate with the whole time when you are with them on call. Even if you are searching some detail or information regarding the issue, talk to them the whole time.

These are the above fundamentals of a good customer service. A company with good customer service team will always be in good position & profit as they will get to know where they are lacking exactly to work on it. So that next time the customer should not such type of difficulties again while using the service or product. And this way the company can also grow and hence customer service is an important aspect of any business, company, firm etc.

Q.8 Meaning:

Outsourcing logistics means sourcing your work to some other ~~the~~ person. It means that you are giving some one else the liability to perform your work. Since logistics involve much more stages and at every stage who have to perform it carefully and with planning. So some of business owner may do not have much time look after those things which should be give attention. So he outsource that ~~the~~ part of work to ~~someone~~ someone else to handle.

The company or person or firm ^{who} ~~is~~ takes the responsibility of handling & will charge some amount of fees, for providing the services.

Below are some features of outsourcing logistics.

→ Cost effective & efficient

→ Focus on primary work

→ Managing things properly

→ Work done on time

→ Time Saving.

1. Cost effective & efficient:

It gets so much easier for the business person to manage the work, if the person has 2 to 3 businesses together. The person has to just outsource the work to someone else and the problem solved. He just have to take regular update of what's going and what are the upto.

2. Focus on primary work:

If the person has his another main business & he cannot give his time to the secondary one then outsourcing helps him to do so. He can then without any worries can focus on his primary work.

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3. Managing time properly:

Outsourcing assists the person in managing time. Let suppose, because of some shipment of his coming India, he is not able to go for some meeting out of India because the consignee needs to be present while

4. Work done on times:

At times, before outsourcing he was not able given attention to some works and getting done on time is the best advantage of outsourcing logistics.

→ taking the delivery of goods so this will lead to the cancellation of his another business meeting. But Outsourcing logistics helps him and the person to whom he has outsourced the work can put the name as consignee on his behalf and can take the delivery of goods. This will make ~~the~~ two works done on same time which will result in managing the time definitely.

5. Time Saving:

Outsourcing logistics is time saving. As we seen in above example how he managed his time at the same time he also saved his crucial hours by

investing it somewhere else. Outsourcing logistics is very useful thing a person use if he want to save time, increase his efficiency in business and at the same time to be cost effective.

Because it's an large process of transportation and doesn't just merely end's in one day if he's to sent some good or services internally.

Outsourcing logistics will communicate with agents & will arrange everything timely. This will lead to ~~an~~ increase of effectiveness in business.