



JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA
PGDM / PGDM (M) / PGDM (SM)
FIFTH TRIMESTER (Batch 2020-22)
END TERM EXAMINATIONS, January 2022

Set A

Course Name	Logistics Management	Course Code	10402
Max. Time	2 hours	Max. Marks	40 MM

INSTRUCTIONS:

- a. All questions are compulsory
- b. Answers should be brief and relevant examples to be cited to support your answers

Question 1

(6 + 4 = 10 Marks)

Naman Exports has got an export order recently for export of 'Ready Made Garments' to Stuttgart in Germany. The destination port would be Hamburg, Germany. However, this is a small shipment and cannot be sent as a FCL. The only choice Mr. Anand Madhok of Naman Exports has, is to send it as a LCL shipment. Since the size of the shipment is comparatively big for LCL shipments, Anand wants to make sure that he gets the best offer from a Freight Forwarder (consolidator) and thereafter appoint him as a 'carrier' for a Multimodal Bill of Lading from ICD Tughlakabad (Also referred to as ICD TKD) to Stuttgart. ICD TKD has been chosen as it is the closest ICD to the manufacturing facility which is located on the outskirts of Delhi). After stuffing at ICD TKD, the selected freight forwarder will have the container railed out to the port of Mundra for shipment to Stuttgart via Hamburg. The goods are to be finally delivered to the buyer namely 'Berlin Grip GMBH, Ernst Augustin, Strasse 5, Stuttgart, Germany.'

Anand calls in for 2 quotations and compares the rates given below. Since he has to execute the order in the next one week, he is busy in his follow up with his vendors so that the export shipment leaves on time. He has sought your opinion and wishes you to compare the two quotes and give your advice in the matter. The brief details of the shipment are given below. All 75 cartons will move as one shipment.

Commodity: 'Ready Made Garments' packed in cartons

Number of cartons: 75

Size of cartons: 70 cms x 60 cms x 55cms (Each carton) – (Total 35 cartons)

60 cms x 55cms x 50 cms (Each carton) – (Total 40 cartons)

Total weight of shipment (75 cartons): 9,100 Kgs

Sr. No	Charge Head	Quote from FF 1	Quote from FF 2
1	Transportation from warehouse of Naman Exports to ICD TKD	INR 9,500	INR 8,600
2	Off-loading from Truck to warehouse at ICD TKD	INR 60/M.T. or part thereof	INR 60/M.T. or part thereof
3	Custom Clearance at ICD TKD (Lump sum)	INR 6,500	INR 5,800

4	THC (Stuffing & Handling Charges ICD TKD, Rail charges ICD TKD – Mundra, THC Mundra Port)	INR 850 W/M	INR 850 W/M
5	Ocean Freight (Mundra to Hamburg)	USD 58 W/M	USD 49 W/M
	Insurance charges (Naman Exports warehouse to Berlin Grip's warehouse, Stuttgart) – (Lumpsum)	USD 25	USD 22
6	Custom Clearance at Hamburg (Lump sum)	Euro 115	Euro 105
7	On-carriage from Hamburg to Stuttgart (including loading at Hamburg) – (Lump sum)	Euro 215	Euro 210
8	Transit Time (ICD TKD – Stuttgart)	39 Days	49 Days
9	Transshipment	None	One (At Rotterdam)

Notes:

1. FF1 & FF2 mean Freight Forwarder 1 and Freight Forwarder 2 respectively
2. All the 75 cartons will be clubbed and move as one shipment
3. W/M means weight (Metric Tonne or M.T.) or measurement (Cubic Meter or Cbm), whichever generates higher revenue
4. GST @ 18% applicable on all INR charges only
5. Exchange rate to be taken: 1 USD = INR 74.10 & 1 Euro = INR 84.75

Question 1

- (a) Calculate the total charges for each of the above quotes, and which option is a better one?
- (b) Identify the better option and why you feel the same considering the factors of cost, transit time, transshipment at Rotterdam and all other factors that you can enumerate?

Question 2

(5 + 5 = 10 Marks)

- (a) An exporter is exporting 'Food Products' packed in cartons and to be stuffed in 3 x 20 foot containers from Mundra Port (Gujarat Port, India) to Hamburg (Germany). The exporter has stuffing permission from Central Excise of the zonal area to stuff and seal the containers at his factory. However, on getting the container at the factory, the exporter finds 'defects' in the container. The exporter writes to the shipping company (CMA-CGM) substantiating to them through photographs and requests them to take this container back and supply him with a new container.

'Illustrate the defects in the container which the exporter noticed which could have jeopardized stuffing his 'Food Products.' Give at least five such different defects noticed by the exporter on which basis he returned the container to the shipping line?

- (b) A 'Bill of Lading' is to goods what a 'Cheque' is to money. All the criteria applicable to a 'Cheque', apply to a 'Bill of Lading'?

What does the above statement imply and your response should determine all the criteria applicable between a 'Cheque' and a 'Bill of Lading' which brings about the similarities?

Question 3

(5 + 5 = 10 Marks)

- (a) Identify and critically analyze the major challenges which India needs to overcome so that they can improve their rankings in the Logistics Performance Index (LPI), a study conducted by World Bank (Current rankings of India, 2018: 44th rank and 2016: 35th rank)?

- (b) 'Dedicated Freight Corridors (DFC's) are well on their way to transform the way containers are transported in India, through rail, from the hinterland to the Ports.

Which are these corridors and what are the envisaged changes and outcomes?

Question 4**(5 + 5 = 10 Marks)**

- (a) A shipper namely Ayushman Exports gets a shipment to be executed through ICD Tughlakabad (ICD, TKD) to Felixstowe (U.K) through the port of Nhava Sheva (NSICT). The shipment has to be stuffed at ICD Tughlakabad after custom clearance at the dry Port (ICD). Due to bad weather and the trucks not being covered by tarpaulins when dispatched from factory to ICD TKD, 15 packages get wet. Also due to bad packing and subsequent handling, another 10 packages are torn / damaged. The shipper informs the shipping line that they should go ahead and stuff the wet and torn/damaged boxes in the container and the shipper would take care if there are any claims from the consignee. The shipper is also willing to give a written undertaking to the shipping line to this effect. Explain how the Shipping line protect its interests so that they are not burdened with any claims at a later date? Describe the type of B/L's that a Shipping line can issue and what should they mention on the same?
- (b) Discuss and differentiate Unimodal, Intermodal and Multi-modal transport? Give one suitable example for each of the above terms, clearly determining the differentiation.