

JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA
PGDM / PGDM (M) / PGDM (SM)
FIFTH TRIMESTER (Batch 2021-23)
END TERM EXAMINATIONS, FEBRUARY 2023

Course Name	Logistics Management	Course Code	20527
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
- c. Q4 has one internal option

Case Analysis

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
4	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
5	Custom Clearance at Hamburg (Lump sum)	Euro 115	Euro 105
6	On-carriage from Hamburg to Stuttgart (including loading at Hamburg) – (Lump sum)	Euro 215	Euro 210
7	Transit Time (ICD TKD – Stuttgart)	39 Days	49 Days
8	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 (M.T.) or measurement (Cbm), whichever generates higher revenue
4. GST @ 18% applicable on all INR charges only
5. Exchange rate to be taken: 1 USD = INR 79.25 & 1 Euro = INR 80.75

Question 1

[8 + 4 Marks = 12 Marks]

- (a) Calculate the total charges for each of the above quotes
- (b) Justify the better option while considering the factors of transit time, transshipment at Rotterdam and all other factors that you can enumerate?

Question 2

[4 + 4 Marks = 8 Marks]

- (a) 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. *How will the Shipping line protect its interests so that they are not burdened with any claims at a later date? Examine the type of B/L's will the Shipping line issue and what should they mention on the same?*

(b) One of the shippers, 'Bhumika Exports' is a very important client of OOCL Shipping Line. He gives them over 80 x 20' containers per month of garments, bed linen, rugs & cotton durries for export to different countries worldwide. One of his shipments of 6x20' containers were planned to be shipped out by 14th July, 2022, but due to delay in raw material procurement and manufacturing snags, the shipment can now reach Mundra Port (Located in Gujarat) only on 17th July, 2022. The vessel 'OOCL Shanghai' is expected to arrive at Mundra Port on 20th July and sail out on 21st July, 2022. The shipper requests the Shipping line to put the name of the earlier vessel 'OOCL Hongkong' and its sailing date of 14th July, 2022 and issue a 'Shipped on Board' B/L accordingly. If the Shipping line does not accede to the request, the shipping line runs the risk of losing the client. The last date of the shipment as per L/C is 19th July, 2022. *Will the shipping line accommodate client's request and if not, what would should they do to maintain the client?*

Question 3

[5 + 5 Marks = 10 Marks]

- (a) Explain 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

[4 + 6 Marks = 10 Marks]

- (a) Explain the concept of reverse logistics and how companies leverage this concept?
- (b) Illustrate giving examples the use of reverse logistics in **any two of the** industries given below:
- (i) LPG Gas Industry
 - (ii) Product Recalls / Returns
 - (iii) Recycling / Waste Disposal