

JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA
PGDM / PGDM (M) / PGDM (SM)
FIFTH TRIMESTER (Batch 2022-24)
END TERM EXAMINATIONS, JANUARY 2024
SET I (Group I)

Course Name	Logistics Management	Course Code	20526
Max. Time	2 hours	Max. Marks	40 MM

INSTRUCTIONS:

- All questions are compulsory*
- Answers should be brief and relevant examples to be cited to support your answers*
- Q4 has one internal option*

Question 1

[8 + 4 Marks = 12 Marks]

Govind Exports has got an export order recently for export of 'Ready Made Garments' for Hanover 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. Suman Lama of Govind Exports has, is to send it as a LCL shipment. Since the size of the shipment is comparatively big for LCL shipments, Suman wants to make sure that he gets a best offer from a Freight Forwarder and thereafter appoint him as a 'carrier' for a Multimodal Bill of Lading from ICD Tughlakabad (Also referred to as ICD TKD and is the closest ICD as goods are manufactured in and around Delhi). After stuffing at ICD TKD, the selected freight forwarder will have the container railed out to the port of Mundra for shipment to Hanover via Hamburg. The goods are to be finally delivered to the buyer namely 'Berlin Grip GMBH, Ernst Augustin, Strasse 5, Hanover, Germany.' The contract has been negotiated on CIP basis.

Suman 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 55 cms x 50cms (Each carton) – (Total 35 cartons)

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

Total weight of shipment (75 cartons): 9,200 Kgs

Sr. No	Charge Head	Quote from FF 1	Quote from FF 2
1	Transportation from warehouse of Govind Exports to ICD TKD	INR 8,600	INR 7,600
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 4,700	INR 3,900
4	THC (Stuffing & Handling Charges ICD TKD, Rail charges ICD TKD – Mundra, THC Mundra Port)	INR 850 W/M	INR 825 W/M
4	Ocean Freight (Mundra to Hamburg)	USD 51 W/M	USD 42 W/M
	Insurance charges (Govind Exports warehouse to Berlin Grip's warehouse, Hanover) – (Lumpsum)	USD 24	USD 22
5	Custom Clearance at Hamburg (Lump sum)	Euro 90	Euro 100
6	On-carriage from Hamburg to Hanover (including loading at Hamburg) – (Lump sum)	Euro 110	Euro 125
7	Transit Time (ICD TKD – Hanover)	38 Days	48 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 for the 'Freight Forwarder'
4. GST @ 18% applicable on all INR charges only
5. Exchange rate to be taken: 1 USD = INR 83.10 & 1 Euro = INR 91.10

Question 1

- (a) Determine the total charges for each of the above quotes
- (b) Examine and select the better option while considering your choice on each of the factors of transit time, transshipment at Rotterdam and any other factors that you can enumerate? Explain the rationale of selecting the option.

Question 2

[4 + 2+2 Marks = 8 Marks]

- (a) What is the difference between 'Received for Shipment,' 'Laden on Board,' and 'Shipped on Board' Bills of Lading? Elaborate the difference(s) by citing suitable examples.
- (b) Determine nos. of B/L's that can be issued by a Shipping Line or a Freight Forwarder or is there any limitation and the variations to issuance of same?
- (c) Discuss the use of the provision of 'Signature Clause' on the B/L? How does it protect the Shipping Line or Freight Forwarder?

[5 + 5 Marks = 10 Marks]

Question 3

- (a) Discuss the six parameters that World Bank uses to evaluate the 'LPI' of countries on International basis!! Would you like to add any further parameters than the six above, clearly citing reasons for their inclusion!!

What are 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.*

Discuss DFCs, what are the envisaged changes and outcomes? Examine the effect on the 'Railway Freight Rates' of carrying the containers from ICD's to Ports such as Nhava Sheva or Pipavav Port?

[4 + 6 Marks = 10 Marks]

Question 4

- (a) Explain the concept of reverse logistics and how companies leverage this concept for their benefits?
- (b) Illustrate giving examples the use of reverse logistics in **any two** industries given below:
- (i) Aerated Water Industry
 - (ii) Product Returns (Healthcare / Pharmaceutical Industry)
 - (iii) Re-furbishing