

**JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA**  
**PGDM / PGDM (M) / PGDM (SM)**  
**FOURTH TRIMESTER (Batch 2017-19)**  
**END TERM EXAMINATIONS, OCTOBER 2018**

Course Name	Operations & Logistics Management	Course Code	OP 401
Max. Time	2 hours	Max. Marks	40 MM

**INSTRUCTIONS:**

Answer all questions.

Proper justifications and appropriate examples would carry due weightage.

**Section A**

**32 Marks**

**Question 1**

Write short notes on **any two** of the following

[2 x 4=8 Marks]

- (a) Importance and role played by 3 PL & 4 PL
- (b) Advantages & Challenges of cargo movement by Air
- (c) Lean Production
- (d) Six Sigma Quality

**Question 2**

[2 + 6= 8 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** industries given below:
  - (i) Mobile phone industry
  - (ii) Aerated drinks industry
  - (iii) Cars – Waste disposal
  - (iv) Pharmaceutical / Food Industry – Product recalls / returns

**Question 3**

[4+4=8 Marks]

**(a) Seller Says:**

This suits us; our main business is manufacturing car parts. We are always happy, to help our customers, but would outsource all the transport arrangements to a third party.

**Buyer Says:**

I am the shipping manager for a large multinational company. Our centralized buying department has arranged this shipment as the first of a twice monthly shipment from Liverpool to Hamburg. We buy parts on Just-in-time basis from 136 suppliers all over the globe. I always get a quote because I can do a great deal with the main shippers – they are pleased to offer volume discounts to our organization.

**Which is the most suitable term which could be used in such a scenario? Give justifications for your answer.**

**(b)** A London based seller in the U.K. supplies to an India buyer (Prahar Textiles) under the term DAP Himachal Pradesh. Prahar Textiles billed the seller for internal transportation to his factory on the outskirts of Himachal Pradesh (Tikri Khas) which because of hilly terrain and local union rates cost the UK exporter dearly (INR 60,000 higher @ INR 20,000 per truck).

Is Prahar Textiles justified in their demand? How could the seller have avoided this?

**Justify your answer with reasoning related to Incoterms 2010.**

**Question 4****[4 + 1 + 3 = 8 Marks]**

Naman Exports Pvt. Ltd. has bagged an export order. However, the buyer insists that the shipment moves by air as it is required for a pre-Christmas sale. Mr. Pradeep Gulati the M.D. of the company is busy negotiating for the order with his suppliers to meet the deadlines. You work for the company as a Asst. Manager – Logistics and have been asked by the M.D. to work out the total costs of Airfreight so that he can negotiate with the suppliers accordingly and maximise his profits. The details of the shipment which would be effected in cartons is given below:

L (Length) X W (Width) X H (Height) = 45 X 30 X 20 Inches

Gross Weight = 1200 KGS

No. Of Packages = 30

L X W X H = 80 X 60 X 40 Cms

Gross Weight = 1500 KGS

No. Of Packages = 30

The shipment is planned to move through Singapore Airlines (Delhi – Singapore), whose air freight charges are given below. All the 60 packages are to move together as one shipment.

Air Freight : INR 60/Kg [Normal Cargo]

Air Freight : INR 55 / Kg [High Density Cargo]

Fuel surcharge : INR 30 / Kg

Security Surcharge : INR 7.5 / Kg

X-Ray charges : INR 1.5 / Kg

Miscellaneous Charges : INR 2 / Kg

Documentation Charges : INR 500

**Notes:**

- + Only documentation & miscellaneous charges are subject to a GST of 18%
- + Air freight, Fuel & Security surcharge are applicable on chargeable weight
- + X-ray and miscellaneous charges are applicable on gross weight

**Question 4:**

- (a) Calculate the volume weight and the chargeable weight for this shipment.
- (b) Is it a high density cargo and if yes, explain with workings?
- (c) Calculate the total Air freight charges applicable for the shipment.

**Section B****8 Marks****Question 1****[4 x 2 = 8 Marks]**

- (a) A shipper namely Damani Exports gets a shipment to be executed through ICD Tughlakabad to Antwerp (Belgium) through the port of Nhava Sheva. The shipment has to be stuffed at Nhava Sheva after custom clearance at the Port. Due to bad weather and the trucks not being covered by tarpaulins, 10 packages get wet. Also due to bad packing and subsequent handling, another 8 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 he would take care if there are any claims from the consignee. How will the Shipping line protect its interests so that they are not burdened with any claims at a later date? What type of B/L's will the Shipping line issue and what should they mention on the same?
- (b) One of the shippers is a very important client of Orient Shipping lines. He gives them over 75 x 20' containers per month of handicrafts and various other products for export to different countries worldwide. One of his shipments is to be shipped out by 6<sup>th</sup> October, 2018, but due to late procurement of raw material and manufacturing delays, the shipment can now sail out from Pipavav Port (Located in Gujarat) only on 10<sup>th</sup> October, 2018. The shipper requests the Shipping line to put the name of the earlier vessel and sailing date of 5<sup>th</sup> October, 2018 and issue B/L accordingly. If the Shipping line does not accede to the request, they run the risk of losing the client. Will the shipping line accommodate his request and if not what would they do?