



REFORMED CHURCH UNIVERSITY

FACULTY OF COMMERCE

**BACHELOR OF COMMERCE HONOURS DEGREE IN LOGISTICS
AND SUPPLY CHAIN MANAGEMENT**

PRINCIPLE OF LOGISTICS AND TRANSPORT

HLSM 114

PART 1 SEMESTER 1 EXAMINATION

TOTAL MARKS [100]

DATE: DECEMBER 2022

TIME: 3 HOURS

INSTRUCTIONS

1. This paper has *six (6)* questions
2. Answer question *one (1)* and *any* other *three (3)*
3. Each question carries *25 marks*
4. Start each question on a new page

1. Read the following passage and answer the questions that follow

As a brief introduction to the Free Press of Namibia (Pty) Ltd, trading as The Namibian, one can say that this is the biggest newspaper in Namibia in terms of circulation, with a proud printing figure of approx. 40 000 newspapers per day (Monday to Thursday), and an average of 70 000 newspapers on a Friday. The Namibian's distribution routes covers approximately 9700km per day with about 400 distribution points throughout Namibia and employ close to 500 staff members across the different business units. (These business units are the Newspaper Production Unit, the Newspaper Printing Unit, and the Distribution Unit.) In order to produce and print these amounts of newspapers, they allocate approx. 30 ton of paper per night and a budget for purchasing the paper of approximately 4 million Namibian Dollars per month. The total operational budget for this operation is approximately 12 million Namibian Dollars per month (excluding salaries and other expenses), with revenue targets of approximately 24 Million Namibian Dollars per month. The Namibian is regarded, as one of the few companies that contributes substantially to the Macroeconomic environment and is a major role player in the generation of revenue and contribution of Income Tax paid to the Government of Namibia.

Paper is purchased from Sappi Global or Mondi South Africa, depending on the availability and market price at the time of ordering. Depending on the country of origin, this is moved via sea freight to South Africa and then from South Africa moved to Namibia via Roadfreight. In addition to the paper supply, other materials required for the operational process includes printing ink (supplied in 200L drums), which is a dangerous goods item and are mostly moved via rail from South Africa to Namibia, due to the hazards involved in movement. With reference to the preferred packaging requirements of clients, strapping strips for strapping/packing machines, plastic used during the shrink wrap process and labels are required during the packaging process. Plates for the preparation of the pages, and of course the parts for the printing and packaging machines, are mainly sourced from South Africa and moved via road and/or airfreight. If there is a breakdown on the production machines, the parts will be flown in, but normal standard orders will be more cost effective to move via roadfreight. These are only a few examples of items/goods required to run a commercial printing operation and the decisions made during the Supply Chain process and movement. Upon arrival in Namibia, these materials will need to be offloaded (utilizing forklifts/cranes/heavyload handling materials) and stored, until utilized. Depending on the demand and what is forecasted on a monthly basis, orders are processed and issued to suppliers to ensure supply for a certain period. These orders are also based on available warehouse space, which will determine the frequency

of ordering. Regular stock takes are required to ensure stock levels are closely monitored in order to not run out of resources

- a) Define logistics, with regard to The Namibian? (3)
 - b) Explain some logistics activities done by The Namibian, in the operation of its business. (12)
 - c) Discuss how The Namibian is regarded as one of the few companies that contributed substantially to the Macroeconomic environment of Namibia. (15)
 - d) Discuss how The Namibian can exercise reverse logistics. (10)
2. Compare and contrast the sustainability of rail and road transport in Zimbabwe. (20)
3. Giving practical examples explain the avoidable and unavoidable forms of reverse logistics. (20)
4. With the aid of a diagram explain the following terms as they relate to supply chain management:
- (a) Inbound logistics (5 marks)
 - (b) Materials Handling (5 marks)
 - (c) Outbound Logistics (5 marks)
 - (d) Reverse Logistics (5 marks)
5. Explain measures that can be put in place by a passenger/freight transport company to ensure that its operations are environmentally sustainable. (20)
6. With reference to Zimbabwe discuss the statement that transport is the backbone of the economy. (20)

End of Paper