



**NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY**

**FACULTY OF COMMERCE**

**DEPARTMENT OF MARKETING**

**DISTRIBUTION AND LOGISTICS MANAGEMENT**

**CBU 2201**

**Second semester examination paper**

**April 2015**

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This examination paper consists of 7 pages

**Time allowed: 3 hours**

**Total Marks: 100**

**INSTRUCTIONS TO CANDIDATES**

Answer **All** questions in **Section A** and any other **three** questions from section B.

**INFORMATION TO CANDIDATES**

- (i) **Section A** carries 25 marks.
- (ii) Questions may be answered in any order.
- (iii) As much as possible, use relevant examples.
- (iv) This paper contains **seven** questions.

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**MARK ALLOCATION**

<b>Question</b>	<b>Mark Allocation</b>
<b>Section A</b>	<b>25</b>
<b>1</b>	<b>25</b>
<b>2</b>	<b>25</b>
<b>3</b>	<b>25</b>
<b>4</b>	<b>25</b>
<b>5</b>	<b>25</b>
<b>6</b>	<b>25</b>
<b>Total (for four questions)</b>	<b>100</b>

## **SECTION A (Compulsory)**

1. The goal of logistics
  - a) to achieve a target level of customer service at lowest possible cost
  - b) to achieve targeted level of customer service
  - c) increase in the market share
  - d) all of the above
  
2. EDI stands for -----
  - a) Electronic Data Interface
  - b) Electronic Data Interchange
  - c) Electronic Distribution Intermediary
  - d) Electronic Documentation Interchange
  
3. Strategic logistics planning process
  - a) determines the direction of business
  - b) creates the capacity
  - c) involves the functional planning
  - d) provides specification for manufacturing
  
4. Master scheduling is the process that
  - a) determines the direction
  - b) creates the capacity
  - c) involves the functional planning
  - d) provides specification for manufacturing
  
5. Customer order processing level is that
  - a) determines the direction
  - b) creates the capacity
  - c) involves the functional planning
  - d) provides specification for manufacturing
  
6. The strategic component of logistical mission
  - a) reflect the vision of top management
  - b) deals with basic services required for delivering of goods
  - c) refers to the value- added services offered
  - d) reflects the ability of firm to exploit market
  
7. The logistical component of logistics mission
  - a) reflect the vision of top management
  - b) deals with basic services required for delivering of goods.
  - c) refers to the value-added services offered
  - d) reflects the ability to exploit market

8. Firm infrastructure is-----in the generic value chain of logistics
- a support activity
  - a primary activity
  - not an activity
  - the only activity
9. Competitive advantage can be created and achieved by logistics managers by
- cost advantage
  - quality
  - value advantage
  - cost and value advantage
10. A company's channel decisions directly affect every-----
- channel member
  - marketing decision
  - customer's choice
  - competitor's actions
11. An advantage of a channel of distribution over selling direct to consumers is that each channel member plays a-----in the channel.
- time-saving part
  - disciplinary role
  - informational role
  - specialized role
12. Historically, conventional channels have lacked the leadership to-----
- assign member roles and manage conflict
  - set standard pricing and packaging
  - set standard pricing and promotions
  - attain efficiency and assign member roles
13. -----is/are the basic tools for determining competitor costs.
- A value chain
  - Cost drivers
  - Cost cutters
  - A value analysis
14. What type of conflict usually exist when the manufacturer has established two or more channels that sell in the same market
- Multi-channel conflict
  - Horizontal channel conflict
  - Vertical channel conflict
  - None of the above
15. In material handling systems, the least expensive form of energy would be an attribute of:
- Manual systems

- b) Mechanized systems
- c) Computerized systems
- d) Gravity flow systems

16. Transportation costs include:

- a) Fully distributed costs; fixed costs; variable costs; out-of-pocket costs and joint costs.
- b) Fully distributed costs; fixed costs; variable costs; expense costs; and joint and common costs.
- c) Fully distributed costs; fixed costs; labor costs; out-of-pocket costs and joint costs.
- d) Fully distributed costs; fixed costs; variable costs; out-of-pocket costs; and joint and common costs.

17. The order point is:

- a) The moment in time when the committed quantity of inventory on hand has dropped to a specified level.
- b) The moment in time when the uncommitted quantity of inventory on hand has dropped to a specified level.
- c) The moment in time when the committed quantity of inventory on hand has dropped to an unspecified level.
- d) The moment in time when the uncommitted quantity of inventory on hand has dropped to an unspecified level.

18. Air transport would be a suitable mode for which of the following products?

- a) Electronic commodities such as television
- b) Sand and gravel
- c) Flowers from South America
- d) Furniture

19. Conflicts between different levels of the same channel of distribution are referred to as

- a) Horizontal conflicts
- b) Vertical conflicts
- c) Layer-based conflicts
- d) Parallel conflicts

20. In deciding on the method or means of transportation, shippers consider such criteria as speed, frequency, \_\_\_\_\_, capability, availability, traceability, and costs.

- a) air versus ground
- b) gypsy truckers
- c) dependability
- d) branded name truckers

21. Today customers want more frequent deliveries, shorter order-cycle times, direct store deliveries, mixed pallets, tighter promised times, and \_\_\_\_\_ packaging, price tagging, and display building.

- a) colorful

- b) child-proof
  - c) custom
  - d) easy opening
22. Market-logistics strategies must be derived from \_\_\_\_\_, rather than solely from cost considerations.
- a) competitive analysis
  - b) low cost considerations
  - c) cost strategies
  - d) business strategies
23. Integrated logistics systems (ILS), involves materials management, \_\_\_\_\_, and physical distribution, abetted by information technology.
- a) information flow systems
  - b) material flow systems
  - c) cash flow systems
  - d) product management systems
24. You are interviewing for a job after graduation with a wholesaler. In your preparation for the interview, you discover that the wholesaler carries over 10,000 stock keeping units, maintains a sales force, makes store door deliveries, and provides management and research assistance to retailers. You are interviewing with a \_\_\_\_\_ wholesaler.
- a) specialized
  - b) rack jobber
  - c) full-service
  - d) cash and carry
25. The company that you work for has outlined the following to its customers: Our on-time deliveries will be set at 95 percent; ordering and billing accuracy will be at a minimum of 98 percent; and we will establish four warehouses to serve the United States. These policies are examples of \_\_\_\_\_.
- a) customer responsiveness
  - b) targeted marketing
  - c) integrated logistics systems
  - d) market logistics

## **SECTION B**

### **Question 1**

‘Competition on a global scale has made the competitive environment much more intense. Having a superior product, a clever advertising campaign, and reasonable prices may not be sufficient to hold one’s share of a market in the 21<sup>st</sup> century.’ Discuss this statement in terms of how a focus on marketing channels might help. **(25 marks)**

### **Question 2**

‘Contrary to some prophecies, wholesalers have not died out.’ What has happened to wholesalers in recent years? **(25 marks)**

### **Question 3**

- (a) Explain the concept of synergy as applied to marketing channel strategy. **(12 marks)**
- (b) Discuss the key strategic questions a channel manager faces when managing the marketing channel. **(13 marks)**

### **Question 4**

Analyse the **four** types of marketing channel competition, highlighting why it is important to recognize them. **(25 marks)**

### **Question 5**

Evaluate the approaches a channel manager could use to manage channel conflict. **(25 marks)**

### **Question 6**

Explain why it is difficult for channel managers to develop a truly optimal structure? **(25 marks)**

**END OF EXAMINATION**

