

DBP 1212: LOGISTICS MANAGEMENT

ANSWER ALL QUESTIONS

Q1a)

A firm has 3 factories 1, 2, 3 which makes weekly dispatches to 3 deports, A, B, and C. the transportation costs per units of goods dispatched along each routes are given in the table below.

Factory	quantity	deport	units
1	56	A	72
2	82	B	102
3	77	C	41

The costs per units are as follows:

CIJ	<u>A</u>	<u>B</u>	<u>C</u>
1	4	8	8
2	16	24	16
3	6	16	24

Required

- i) Calculate the transportation cost using the North West corner Rule or the least cost method. (5mks)
 - ii) Check for feasibility of the solution above. (3mks)
 - iii) Discuss 6 main ways of controlling distribution costs. (12mks).
 - iv) Transportation as a subset of logistics management, tries to fulfill three Rs (3Rs) of physical distribution. That is, right product, right time and right place. Discuss five key principles of transportation. (10mks).
- b). Clearly explain the various supplier development practices in modern organizations, highlighting the key benefits associated with supplier development. (10mks)

Q2a). Transport is a key necessity for specialization, which allows production and consumption of products at different locations. Discuss some of the factors that have led to efficient and effective transportation industry. (10mks)

b).Discuss the storage function of warehouses. (10mks)

Q3a). Highlight the main transport intermediaries available for use by large transportation firms. (10mks)

b).Critically examine the role of intermediaries in the supply chain. (10mks)