

Faculty of Management and Social Sciences
Department of Logistics & Transport
BSc in International Transportation Management & Logistics
Course CODE: COM550



Year 3 Semester I
SEMESTER END EXAMINATION
Marketing Management- MRKT0371

- This paper consists of EIGHT (08) questions on FIVE (05) pages.
- Answer FIVE (05) questions including question 01.
- You may use appropriate graphs, diagrams, equation/s to prove or justify the answers.
- If you have any doubt as to the interpretation of the wording of a question, make your own decision, but clearly state it on the script.
- Write legibly.

Date: 2023.03.24

Pass mark: 50%

Time: 03 Hours

Question 01: (Compulsory)

Broadway Kids (Pvt) Limited

Broadway Kids (Pvt) Limited is a privately owned, family run business founded in 2012 by the two siblings Mano & Chula. Broadway Kids designs and manufactures clothing and accessories for babies and children.

Company is certified under SEDEX (Supplier Ethical Data Exchange) & Global Organic Textile Standard (GOTS), with many years of experience of working with international high street retailers such as Next, Mamas and Papas and Natures Purist. The company mission is to excel in manufacturing small order quantities to world renown small and medium retailers by innovating and perfecting the mechanisms and processes whilst maintaining high quality and safety standards.

The company take quality and safety very seriously and operate inline QC inspections at every stage as well as online pull tests for button and stopper security. Company has metal free factory and operate a strict broken needle policy. All production is 100%

metal detected prior to packing.

However, recent situation in the country has created unfavorable situation for the whole textile and apparel industry. Sri Lanka kicked off 2022 with an overwhelming apparel export figures of US \$ 487.60 million in January, noting an impressive 23 per cent growth over January '21, which was the highest in last six years. Subsequently, in February '22, the apparel exports reached US \$ 468.12 million, growing by around 11.54 per cent on year-on-year basis. However, it didn't take much time for the scenario to change - and change for the worst. The country's foreign exchange reserves slumped by 70 per cent to US \$ 2.30 billion as of February '22 in the past two years, thereby impacting the country's ability to import food and fuel - eventually leading to power cuts and skyrocketing prices.

With no electricity for 12 hours a day, the country has been going through a major energy crisis. Also, with food prices going very high, Sri Lanka is presently battling one of its worst economic crises. Yohan Lawrence, Secretary General, JAAF (Joint Apparel Associate Forum), said "The fuel shortage is having a massive impact on our day-to-day production. We are unable to use our generators during power outages because of the lack of diesel. To add to this, fuel shortages are affecting our ability to transport our goods and provide staff transport for our employees". The rising cost of shipping and logistics has been a growth impediment factor in the apparel industry. However, bigger manufacturers are still managing somehow owing majorly to their multi-national manufacturing operations.

The story, unfortunately, isn't same for small manufacturers! While incessant power cuts and increasing shortage of diesel seem to have hit their functioning of work more, other forms of disruptions too have been causing bottlenecks. Amidst anti-Government protests across the country, workers struggle to reach their factories because of lack of transportation, which has consequently impacted the smaller players more than the bigger ones. Lack of workers amidst uncertainty and chaos has significantly hit the production in last one month. "We operate on very thin margins," commented Chula Dharmadasa, Owner, Broadway Kids, adding, "I'm already getting warnings from clients that if we miss delivery targets, we must air freight goods, which we cannot afford to do. Our orders will get cancelled and buyers will move to

competitors like Bangladesh.”

When a country faces such overwhelming economic crisis, especially due to political failure, there is certain distrust amongst buying fraternity for that country. The same is feared by Sri Lankan apparel industry, which has always believed to maintain a high level of confidence amongst apparel buyers across the globe. “If our buyers start losing confidence in us and move to other competing markets, getting them back will be extremely challenging,” Lawrence substantiates.

This is not the first time Sri Lanka is going through a tough time and this is not the first time the apparel industry of the country is facing challenges and constraints. There’s hope for revival!

The above data has been based on a real-life organisation, but details have been changed for assessment purposes and do not reflect current management practices.

Adapted, Apparel Resources. com (2022)

You are required to produce a SWOT analysis for Broadway Kids (Pvt) Limited using the information given in the case study. (20 Marks)

Question 02

You are the Marketing Director of a manufacturer of high-quality, luxury bathroom fittings & equipment such as washbasins to mirrors, lighting and shelves, and is planning to introduce a new range of luxury bathroom accessories,

- a) With the aid of a diagram, discuss the key stages of the product life cycle. (15 Marks)
- b) Identify and explain the suitable strategy when deciding the number of marketing intermediaries for the company. (05 Marks)

Question 03

You work for a large cosmetics company operating in the FMCG industry. The management is presently in the process of establishing a business outlet in a new geographical area. As the assistant sales manager, you are required to,

- a) Recommend two (02) suitable communication tools that the company could use to capture the new market. (10 Marks)
- b) "There are several factors affecting the pricing decision". Explain five (05) such factors that will affect the pricing decision on the new market. (10 Marks)

Question 04

For many years the business for which you work as Marketing Director has been engaged in manufacturing general engineering products, but the sales and profits have long been declining. You believe that wind power generators could become a major growth business in the future. You are required to;

- a) Advise how company could segment the market for its new product recommending two main bases (Highlighting the sub-bases) company could use to segment the market. (10 Marks)
- b) Evaluate two suitable point of differentiation (value differences) company could use when they position its new product. (10 Marks)

Question 05

Discuss the extent to which market orientation, or a lack of it, may impact upon the competitive advantage of an airline company. (20 Marks)

Question 06

Choose ONE of the following businesses:

- I. Airline
- II. Biscuits
- III. Cosmetic

- a) Identify two (02) major factors (buyer characteristics) that could influence their behavior when choosing the product/service of your choice (You are required discuss minimum of two sub factors as well). (10 Marks)
- b) With reference to the consumer buyer decision process, explain the five (05) stages a consumer may go through in selecting product/service of your choice above. (10 Marks)

Question 07

You are the Marketing Advisor to a small B2B marketing communications agency which,

principally serves small businesses in the local area. In a recent meeting the company CEO revealed his intention to have a well-resourced and managed Marketing Information System (MIS). As Marketing Advisor, prepare a brief report addressing CEO that explain how Marketing Information System (MIS) should function for the communications agency to make correct decision in this turbulent environment.

(20 Marks)

Question 08

You work for a large national insurance company based in a country of your choice. You have been asked by your manager to produce a report for all local and regional managers, that explain how the extended marketing mix elements could be used to gain competitive advantage for the company.

(20 Marks)

-----END OF THE QUESTION PAPER-----

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BSc in International Transportation Management and Logistics
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Year 3 Semester I

SEMESTER END EXAMINATION

Transport Contract and Regulations – TRCR0333

- This paper consists of EIGHT questions on THREE (03) pages.
- Answer FIVE Questions including Question 01.
- Only non-programmable calculators are allowed.
- You may use appropriate graphs, diagrams, equation/s to prove or justify the answers.
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- Write Legibly.

Date: 2023.03.22

Pass mark: 50%

Time: 03 Hours

Question 01: Compulsory

Discuss the element of a valid contract with reference to case law.

(20 Marks)

Question 02

(a) Explain the types of laws in Sri Lanka.

(10 Marks)

(b) Compare and contrast the difference between Civil law and Criminal law.

(10 Marks)

Question 03

(a) What are the differences between unilateral and bilateral contracts?

(10 Marks)

(b) Write a case note on the landmark case of *Carlill v Carbolic Smoke Ball Company* [1892]

(10 Marks)

Question 04

(a) What is an "Agency" and explain the methods of creating an Agency

(10 Marks)

(b) List down the duties and rights of an agent

(10 Marks)

Question 05

(a) Explain the Court hierarchy of Sri Lanka.

(10 Marks)

(b) Describe the alternate dispute settlement mechanisms in Sri Lanka.

(10 Marks)

Question 06

Explain the legal and equitable remedies available under the law of Contract.

(20 Marks)

Question 07

Read the following scenario and advise the parties.

Avishka is known to be a very talented and a clever young artist among his friends. In 2022 December during the annual talent show held at CINEC Campus Avishka became the most popular singer of the year. This year the student union at CINEC Campus has decided to hold a grand concert in Lotus theaters Colombo for the first time after the covid 19 pandemic in order to raise funds to install a new gym for the Camps. When the student union made this offer to Avishka he gladly accepted stating that he doesn't need the money but he would perform five songs at the concert.

Sansala, another undergraduate of the Campus also became the first runner up Dancer in the talent show. However, none of the students voted for hence she didn't become the most famous Dancer. The Students claim that she is not a good dancer but her father has connections with the organizers of the talent show and that's why she became the most talented dancer. Despite this controversy, the student union decides to invite her to perform at the concert. Sansala who is still mad at the students for not voting for her at the talent show decided to charge Rs: 10,000 per dance. Even though her charges are higher for a charity event, the student union decided to hire her for the even thinking that her father might do something to cancel the concert.

Both Sansala and Avishka agreed to come for rehearsals during the first week before the concert. However, over the practices Sansala and Avishka gets to know each other and start a relationship. On the very first day of the rehearsing week Sansala and Avishka agreed to go on a movie date. On their way to the Cinem Sansala remembers about the Rehearsals and rushes back to the campus. Meanwhile, Avishka gets heartbroken for being stood up on their first movie date and doesn't show up for three days from the rehearsals.

Yasas is the president of the student union and has developed a crush on Sansala and he is really mad at Avishka for starting a relationship with her. Being furious at Avishka Yasas informs Avishka that they have decided to terminate his contract for being unable to attend the rehearsals properly. Not only that, Yasas hires Nirodh a thug in the campus to break both legs of Avishka before the day of the concert. Nirodh accept the offer and demands to pay him Rs. 50,000. The day before the concert Nirodh fulfills his obligations by breaking Avishka's legs.

On the first day of the concert Sansala's father falls ill and she fails to make it to the concert on time and the student union decided to terminate the contract with her and immediately hires Shenali as the dancer.

Advise the followings:

- (a) After performing the terms in the contract Nirodh is now demanding the money due to him from Yasas.
- (b) Avishka is calming that he had to cancel his other appointments to perform at CINEC concert and demanding the student union to pay for the loss incurred to him.
- (c) Sansala claims that unlike Avishka she participated in each and every reversal and he Student union cannot terminate the contract with her for being absent jut for a day.

(20 Marks)

Question 08

Write short notes on the following topics.

- (a) Sources of law.
- (b) Exclusion clauses.
- (c) Innominate terms.
- (d) Frustration of contract.

(5×4 Marks)

-----END OF THE QUESTION PAPER-----



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Year 3 Semester I

SEMESTER END EXAMINATION

Port Loading and Unloading Techniques – PORT0251

- This paper consists of EIGHT (08) questions on THREE (03) pages.
- Answer FIVE (05) Questions including Question 01.
- Only non-programmable calculators are allowed.
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- Write Legibly.

Date: 2023.03.17

Pass mark: 50%

Time: 03 Hours

Question 01(Compulsory)

- | | |
|---|-----------|
| (a) What is Direct Terminal Operation & give examples? | (4 Marks) |
| (b) What is Indirect Terminal Operation & give examples? | (4 Marks) |
| (c) Why Terminals need pre planning & name six types of planning? | (4 Marks) |
| (d) Explain what is ship turnaround time? | (4 Marks) |
| (e) Explain what is truck turnaround time? | (4 Marks) |

Question 02

Container Terminal Operation

- | | |
|--|-----------|
| (a) Name four sizes of ship to shore gantry (STS) cranes & how many containers across the ship can handled in each type? | (4 Marks) |
| (b) Name four spreader attachments for ship to shore gantry (STS) cranes & how many 20' or 40' can handle in each spreader attachment? | (4 Marks) |
| (c) Name different equipment's used for quay transfer operation including automated. | (4 Marks) |
| (d) Name different equipment's used for storage/stacking operation including automated? | (4 Marks) |
| (e) What are the modern gate facilities? | (4 Marks) |

Question 03

Describe following abbreviations used in Port / Terminal Business

- | | | | |
|----------------|-----------|------------|----------------------|
| 1) LOA | 2) ETA | 3) ETB | 4) ETC |
| 5) CICT | 6) SAGT | 7) JCT | 8) ECT |
| 9) CFS | 10) EIR | 11) SWL | 12) OOG |
| 13) IMO | 14) LO-LO | 15) RTG | 16) RMG |
| 17) TMS or TOS | 18) ISPS | 19) CSI | 20) STS Gantry Crane |
| 21) IMDG | 22) HIPG | 23) HIPS | 24) RO-RO |
| 25) ATA | 26) ATB | 27) ATC | 28) VGM |
| 29) VLCC | 30) ULCC | 31) ULCS | 32) SOLAS |
| 33) ICD | 34) EDI | 35) ISPS | 36) Con-Ro |
| 37) AGV | 38) ASC | 39) POSCOD | 40) Gen-RO |

(20 Marks)

Question 04

Passenger Terminal Operation

- (a) Name people carrying ships & what are terminal names given for each ship handling in Ports? (5 Marks)
- (b) Why passenger carrying ships are given top priority berthing over other cargo handling ships in Ports? (5 Marks)
- (c) What are the modern handling facilities available in Cruise Terminal? (5 Marks)
- (d) Explain with example the route for Direct & Indirect Terminal Operation in Cruise Terminals? (5 Marks)

Question 05

RO-RO Terminal Operation

- (a) Explain with example the route for Direct & Indirect Terminal Operation in automobile handling Ro Ro Terminals? (4 Marks)
- (b) What are different RO - RO ship types? (4 Marks)
- (c) Draw and explain the terminal lay out of a automobile handling Ro-Ro Terminal? (4 Marks)
- (d) What are the human resources required for the Terminal Operation? (4 Marks)
- (e) What are the safe rules & regulations (best practices) to be observed by each staff category? (4 Marks)

Question 06

Multi-purpose General Cargo Handling Terminal

- (a) What is hook cycle & explain? (4 Marks)
- (b) What are your suggestions to improve hook cycle time? (4 Marks)
- (c) What is quay transfer cycle & explain? (4 Marks)
- (d) What are your suggestions to improve hook cycle time? (4 Marks)
- (e) Name different types of equipment's & gears that should be available in general cargo handling terminal? (4 Marks)

Question 07

Dry Bulk Cargo Handling Terminal Operation

- (a) Name different Dry Bulk cargo carrying ships? (5 Marks)
- (b) What are the facilities needed for a dry bulk cargo handling terminal? (5 Marks)
- (c) Describe Dry Bulk cargo handling direct & indirect terminal operation? (10 Marks)

Question 08

Liquid Bulk Cargo Handling Terminal Operation

- (a) Name different Liquid Bulk cargo carrying ships? (5 Marks)
- (b) Describe Liquid Bulk cargo handling terminal operation with terminal facilities? (15 Marks)

-----END OF THE QUESTION PAPER-----



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Year 3 Semester I

SEMESTER END EXAMINATION

Airline Business Management – ABMG0308

- This paper consists of EIGHT questions on TWO (02) pages.
- Answer FIVE (05) questions including Question 01.
- Only non-programmable calculators are allowed.
- You may use appropriate graphs, diagrams, equation/s to prove or justify the answers.
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- Write Legibly.

Date: 2023 .03.16

Pass mark: 50%

Time: 03 Hours

Question 01: Compulsory

- (a) Briefly explain drivers of global air transportation. (04 Marks)
- (b) The planning process of an airline is a series of decisions first at a strategic level and then at a tactical level as the departure date comes closer. Briefly explain the overview of airline planning process. (08 Marks)
- (c) Graphically explain the economic evaluation process used for fleet planning. (08 Marks)

Question 02

- (a) Briefly explain the final product of the flight schedule development process with examples. (05 Marks)
- (b) "Development of the flight schedule is an extremely complex task. Vast number of variables and possibilities must be considered and requires trade-off among revenues, costs, reliability and constraints." Explain with examples. (15 Marks)

Question 03

Crew scheduling is composed of two sequential phases known as crew pairing and crew rostering. Explain in detail the meaning, objectives and problems encountered in each of the two phases. (20 Marks)

Question 04

- (a) Economists describe the airline industry as closely approximating an oligopolistic market structure. Explain characteristics that makes the airline industry an oligopolistic industry. (10 Marks)
- (b) Explain with examples factors that affects demand of airline services of SriLankan airlines, the flag carrier of Sri Lanka. (10 Marks)

Question 05

- (a) Preventive maintenance is performed at defined intervals to retain an item in a serviceable condition. Briefly explain 3(three) such units of maintenance intervals with examples. (06 Marks)
- (b) Explain what unscheduled maintenance is and why it is important to reduce unscheduled maintenance costs. (14 Marks)

Question 06

Human error can be introduced into any workplace by changing physical conditions, human biological limitations, and psychological and sociological factors. Discuss on initiatives taken by airlines to reduce accidents and incidents associated with human error. (20 Marks)

Question 07

- (a) Explain the importance of Global Distribution System (GDS) for airlines and travel agents. (10 Marks)
- (b) Airlines use a differential fare structure to maximize revenue. Explain how airlines use fare rules in pricing to differentiate business travelers and leisure travelers. (10 Marks)

Question 08

Market segmentation in the airline industry helps to better understand passenger needs and tells how you can best meet those needs with your product or service. Explain how the air passenger market has been traditionally segmented using different variables in airline marketing. (20 Marks)

-----END OF THE QUESTION PAPER-----



Faculty of Management and Social Sciences
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Year 3 Semester I

SEMESTER END EXAMINATION

International Economics – ECON0371

- This paper consists of EIGHT questions on FIVE (05) pages.
- Answer FIVE (05) Questions including Question 01.
- Only non-programmable calculators are allowed.
- You may use appropriate graphs, diagrams, equation/s to prove or justify the answers.
- If you have any doubt as to the interpretation of the wording of a question, make your own decision, but clearly state it on the script.
- Write Legibly.

Date: 2023.03.15

Pass mark: 50%

Time: 03 Hours

Question 01 (Compulsory)

“Adam Smith and David Ricardo both promoted free trade as a means of achieving global production efficiency, as opposed to the protectionist Mercantilist policies”

- (a) According to Adam Smith ‘trade between two nations is based on absolute advantage’ briefly explain what is meant by absolute advantage theory. (04 Marks)
- (i) Who has the absolute advantage in producing wheat? (Consider U.S. and U.K. with respect to Table 1.00) (02 Marks)
- (ii) Who has the absolute advantage in producing cloth? (Consider U.S. and U.K. with respect to Table 1.00) (02 Marks)
- (iii) List down the two bases which you considered to identify the absolute advantage of both nations in (i) and (ii). (02 Marks)

- (b) Ricardian theory truly explains the basis for and the gains from trade by his comparative advantage theory what is the main idea of the law of comparative advantage theory? (04 Marks)
- (i) Who has the comparative advantage in producing wheat? (Consider U.S. and Japan with respect to Table 1.00) (02 Marks)
- (ii) Who has the absolute advantage in producing cloth? (Consider U.S. and Japan with respect to Table 1.00) (02 Marks)
- (iii) In what way was Ricardo's law of comparative advantage superior to Smith's theory of absolute advantage? (02 Marks)

Table 1.00: Absolute advantage and Comparative advantage

Product	U.S	Japan	U.K
Wheat (bushels/ man-hour)	6	1	1
Cloth (yards/ man-hour)	4	2	5

Question 02

'The H-O model is often referred to as the factor proportion theory or factor endowment theory' which is more emphasizes factor intensity and factor abundance.

- (a) List down any five assumptions under the Heckscher-Ohlin theory. (05 Marks)
- (b) Briefly explain in what ways the H-O theory represents an extension of the trade model. (05 Marks)
- (c) How do you analyze the expansion of exports in labor Intensive products in developing countries in the context of comparative advantage theory? (10 Marks)

Question 03

"The static, partial equilibrium effects of forming a customs union are measured in terms of trade creation and trade diversion"

(a)

- (i) List down five arguments against trade blocs. (05 Marks)
- (ii) Explain and illustrate a Trade Creation by Custom Union. (07 Marks)

(b) Briefly explain the following topics

- (i) Economic Integration (02Marks)
- (ii) A preferential Trade Agreement and free trade area (02 Marks)
- (iii) A customs union (02 Marks)
- (iv) A common market (02 Marks)

Question 04

"The balance of payments is a summary statement in which, in principle, all the transactions of the residents of a nation with the residents of other nations are recorded during a particular period of time"

- (a) What are the key components/basic structure of BOP? (06Marks)
- (b) What is a credit transaction? a debit transaction? (04 Marks)
- (c) Explain key trends you have identified in BOP of Sri Lanka (05Marks)
- (d) What are the key things used to analysis a country's BOP performance? (05 Marks)

Question 05

“The depth of regional cooperation and integration in South Asia is essentially limited by the extent of the role played by India, which actually has to play a crucial role for effective integration within the region.”

- (a) Define what is a Free Trade Agreement (03Marks)
- (i) Give two examples of FTAs in South Asia (02Marks)
- (ii) Do you think Bilateral Trade agreements are complicated in nature? Explain. (06 Marks)
- (b) Write short notes on the following topics
- (i) General Agreement on Tariff and Trade (03 Marks)
- (ii) World Trade Organisation (03 Marks)
- (iii) European Union (03 Marks)

Question 06

“The principle function of foreign exchange markets is the transfer of purchasing power from one nation and currency to another”

- (a) What is meant by the foreign exchange market? Who are the main participants? (04Marks)
- (i) Explain how the Exchange rate is determined in the Forex Market using an example (03Marks)
- (ii) Discuss the theories of Exchange Rate Determination (04Marks)
- (iii) What are the three main exchange rate systems? (03Marks)
- (b) Using graphs to illustrate the below concepts
- (i) Increase in the relative price level (02Marks)
- (ii) Imposing trade barriers (02Marks)
- (iii) Change in consumer preferences (02Marks)

Question 07

"In today's world, all countries are engaged in international trade, no nation was ever ruined by trade, even seemingly the most disadvantageous"

- (a) List down the benefits of Free Trade (06 Marks)
- (b) Explain any two terms of trade concepts (04 Marks)
- (c) There is a significant link between the trading strategy and the economic growth of a country.
 - (i) Discuss the policy outcomes of trade strategies that Sri Lanka used before 1977 and after. (18 Marks)
 - (ii) List two trends/experiences with trade policy alternatives in developing countries (02Marks)

Question 08

"Although tariffs have historically been the most important form of trade restriction there are many other types of trade barriers"

- (a) Explain why protection is important for a country. (03Marks)
 - (i) Give three examples of Non-Tariff Barriers (03Marks)
 - (ii) Using a diagram explain the effect of a Tariff on consumer and producer surplus. (04 Marks)
- (b) There are two main types of simulation models used in evaluating trade policy which is **partial and general equilibrium models**.
 - (i) Explain the difference between the above two models. (03 Marks)
 - (ii) Discuss how the effects of policies differ depending on a country's size in international markets, using an example. (07 Marks)

-----END OF THE QUESTION PAPER-----

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Course CODE: COM550

Year 3 Semester I

SEMESTER END EXAMINATION

Procurement Management – PMGT0347

- This paper consists of EIGHT questions on FIVE (05) pages.
- Answer FIVE Questions including Question 01.
- Only non-programmable calculators are allowed.
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- If you have any doubt as to the interpretation of the wording of a question, make your own decision, but clearly state it on the script.
- Write Legibly.

Date: 2023.03.13

Pass mark: 50%

Time: 03 Hours

Question 01 (Compulsory)

Procurement is the strategic management of the supply chain for organizations. It is crucial to the overall success of any organization. Purchasing costs can represent over 50% of an organization's revenue. A lack of strategic decisions regarding supply can sink an otherwise profitable company. In addition, excessive wastage in the supply chain can hurt a company's reputation and bottom line.

- (a) Define "Purchasing". (10 Marks)
- (b) Use below characteristics and fill the differentiation table given below.

The straightforward method of purchasing commodities, Follows a proactive approach to spot and fulfil needs, Consideration of steps happen after, during, and before purchase, Follows a reactive approach to satisfy internal needs, Activities related to acquiring goods and services, Used in a wholesale environment (external process), Functions associated with buying goods and services, Used in a production environment (internal process), Puts more

importance on an item's value than its cost, Transactional-focuses on transactions than vendor relationships, Tends to focus more on the item's price than its value, Relational-focuses on creating long-term vendor relationships, Includes multiple stages and has numerous people involved, Has long-term goals like gaining competitive advantage for the business, Aimed at ordering and paying for goods, Has short-term goals like obtaining the necessary goods at the right time, Focused on creating and maintaining strong supplier relationships, Focused on making transactions, Aimed at recognizing and satisfying the company's internal needs, Fewer steps and fewer employees involved

Procurement	Purchasing

(10 Marks)

Question 02

Strategic sourcing is used in the procurement process to achieve the best pricing for a product or service. The key objectives are to minimize costs, improve supplier performance, and reduce the risk of failure.

- (a) What are the three main steps of strategic analysis? (03 Marks)
- (b) Write down two out of three types of purchasing systems? (02 Marks)
- (c) Explain how to develop a procurement strategy. (15 Marks)

Question 03

If an organization decides to "buy" from one or more outside sources, it must select the type of contract it needs. In selecting what type of contract to use, the primary objective is to have risk distributed between the buyer and seller so that both parties have motivation and incentives for meeting the contract goal.

- (a) What is referred as a "Contract"? (05 Marks)
- (b) Describe the types of fixed price contracts. (15 Marks)

Question 04

Good companies practicing CSR practices in every aspect including procurement are able to receive higher rewards, reduce employee turnover, have Transparent & famous supply chains & build up deeper brand connections.

- (a) Give another name for CSR. (05 Marks)
- (b) Name two types of business drivers for CSR procurement with two examples per each type. (05 Marks)
- (c) Having a sustainable specification is an important part of the sustainable procurement process. Propose and justify key sustainability criteria for inclusion in purchase specifications for products and services. (10 Marks)

Question 05

It is the process of sourcing goods and services from the international market across geopolitical boundaries. It aims to exploit global efficiencies such as lower cost skilled labor, cheaper raw materials and other economic factors like tax breaks and low trade tariffs. Examples are call centers in the Philippines, clothing and shoes manufactured in China and Thailand.

- (a) Name five problems when practicing international sourcing? (05 Marks)
- (b) Narrate the benefit of global sourcing. (15 Marks)

Question 06

It is important to know which Incoterms® are applicable in 2023 as they determine the responsibilities of buyers and sellers. Additionally, incorrect Incoterms® can result in costly errors or delays in international trade.

- (a) Which organization published Incoterms? (01 Marks)
- (b) Fill the second column of below tables. (11 Marks)

Code	Name in English
FAS	
FOB	
CFR	
CIF	

Incoterm Code	Name in English
EXW	
FCA	
CPT	
CIP	
DAP	
DPU	
DDP	

- (c) Which incoterm indicates the highest responsibility on seller? (01 Marks)
- (d) Which incoterm indicates the highest responsibility on buyer? (01 Marks)
- (e) What is the difference between CFR & CIF? (04 Marks)
- (f) There was an incoterm called DAT in the past version - Incoterm® 2010. Which incoterm replaced it in the newest version Incoterm® 2020? (01 Marks)
- (g) Seller is only responsible for delivery to the named place. The seller is responsible for the loading. Risk and cost are transferred to the buyer as soon as delivered at the named place. Unloading is the buyer's responsibility. Which incoterm has these characteristics? (01 Marks)

Question 07

It is evident that the learning curve is a helpful tool for part purchasing negotiations. In most cases, the curve fits well with the supplier pricing quotations, assuming the fixed and variable costs dominated. In the case where the fit is not as smooth, it could be caused by the quasifixed cost or step variable cost in the supplier pricing analysis.

(a) Mark True/False for below statements about learning curve.

- (i) Learning curve does not describe a practical reality. (-----)
- (ii) When labor intensive tasks are repeated, the initial difficulties encountered for the first time are progressively solved and subsequent iterations take less labour and hence cost is less. (-----)

(05 Marks)

(b) Draw and explain learning curve highlighting why should purchasers be concerned with learning curves? (15 Marks)

Question 08

(a) Mark True/False for below statements.

- (i) Value is a part of quality management. (.....)
- (ii) When practicing just in time management in procurement, a company should focus on warehousing capacity a lot. (.....)

(02 Marks)

(b) Contracts should be and binding. It is best to get the contract in writing.

(02 Marks)

(c) Siri is procurement manager for a software company. He is contracting a long-term software project with a third-party company. That company charges him \$200/hour per employee and \$1000 overhead per month. What is this contract type?

(02 Marks)

(d) What is the primary objective of negotiation from below?

(Identifying scope of contract, Find a win-win proposition for both parties,

Segregate the exact responsibilities of each party, Confirm the best deal possible)

(02 Marks)

(e) A cost-plus incentive fee (CPIF) contract has an estimated cost of \$150,000 with a predetermined fee of \$15,000 and a share ratio of 80/20. The actual cost of the project is \$130,000. How much profit does the seller make?

(10 Marks)

(f) Imagine that your organization is the seller that is bidding on a contract. Which type of contract has the most risk for your organization?

(02 Marks)

-----END OF THE QUESTION PAPER-----