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**KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**UNIVERSITY EXAMINATION, 2023/2024 ACADEMIC YEAR**  
**FOURTH YEAR, SECOND SEMESTER EXAMINATION**  
**FOR THE DEGREE OF BACHELOR OF SCIENCE**  
**(BUSINESS ADMINISTRATION)**

Date: 18<sup>th</sup> April, 2023  
Time: 11.30am –1.30pm

**KPS 403 – INTERNATIONAL LOGISTICS**

**INSTRUCTIONS TO CANDIDATES**

**ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS**

**QUESTION ONE (30 MARKS)**

**Read the case below and answer the questions that follow:**

**THIKA LIMITED COMPANY**

Thika Limited, is a company involved in business of fruit processing and making of fruit syrup (Afia). The fruit pulp is mainly exported and has very limited market in various countries, whereas Afia is having very good domestic market. They are selling their products under the very popular brand “Natural”. The fruits are purchased from various fruit cultivating areas. To make effective localized procurement they have four procurement centers with cold storage facilities. The fruits are transported from this procurement centers to the factory using hired trucks. While transporting fruits from warehouse to factory, there were shortages and also damages/ decompositions that varied from 15% to 25% and also there were inconsistency in transit time. The “Natural” packaging is one of the reasons for popularity of his brand.

The quality and taste of syrup has created very good consumer base for Afia. The Afia is sold in ten different variants and three different packaging sizes. The Afia loses the taste if it is kept for longer period (2 months) in normal condition. The taste remains to its best if it is kept in cold condition. The Afia is distributed through 20 different distribution centers and are equally distributed in each zone. These centers are directly reporting to factory and passes information once a week. These Afia were packed in very strong secondary packaging, even then there were 18% to 20% damages in transit. There was excess inventory in some of the distribution centers while shortages in others. Also, specifically in summer season there were complaints about the quality (change in taste) of syrup. Entry of multinationals with synthetic Afia increased the competition and put alot of pressure on “Natural”. The Managing Director of Thika Limited formed a team of senior executives to come with concrete plan to fight the competition and increase market share and margin.

### **Questions**

- a) Suggest three ways to the managing Director to ensure minimum transportation loss of fruits and Afia. (6 Marks)
- b) Suggest the appropriate distribution method to maintain the quality of Afia. Give two reasons for choosing the distribution method. (6 Marks)
- c) Identify two distribution network design that the company can use to distribute its products. (2 Marks)
- d) Suggest three measures Thika limited company can employ to reduce excess inventory and shortages in some distribution centres. (6 Marks)
- e) Identify three causes of fruit shortages in the factory. (6 Marks)
- f) To reduce some of the logistical challenges facing Thika Limited company. It is wise for the company to outsource some logistical activities. Highlight four benefits of logistics outsourcing (4 Marks)

### **QUESTION TWO (20 MARKS)**

- a) Discuss four value added logistics services in logistics management. (8 Marks)
- b) Explain three objectives of logistics management. (6 Marks)
- c) Explain three main issues that differentiate domestic logistics and international logistics. (6 Marks)

### **QUESTION THREE (20 MARKS)**

- a) Explain four benefits of logistics outsourcing. (8 Marks)
- b) Define multimodal transportation. Explain three ways in which multimodal transportation is beneficial in international logistics (8 Marks)
- c) Explain two factors to consider when designing a distribution channel. (4 Marks)

### **QUESTION FOUR (20 Marks)**

- a) Discuss four importance of information technology in logistics industry. (8 Marks)
- b) Discuss three different distribution design networks for movement of goods. (6 Marks)
- c) Unwise decisions in logistics management can create a multiple of issues or challenges. Explain three of these challenges. (6 Marks)

### **QUESTION FIVE (20 MARKS)**

- a) Explain three documents used in international trade. (6 Marks)
- b) Efficiency and effectiveness of moving products in supply chain is dependent on packaging that should be properly designed. Explain three functions of packaging (6 Marks)
- c) Discuss four Information communication technologies used in logistics management. (8 Marks)