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**KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**UNIVERSITY EXAMINATION, 2024/2025 ACADEMIC YEAR**  
**FOURTH YEAR, FIRST SEMESTER EXAMINATION**  
**FOR THE DEGREE OF BACHELOR OF SCIENCE**  
**(BUSINESS ADMINISTRATION)**

Date: 12<sup>th</sup> August, 2024  
Time: 2.30 – 4.30pm

**KPS 2403 INTERNATIONAL LOGISTICS**

**INSTRUCTIONS TO CANDIDATES**

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

**QUESTION ONE (30 MARKS)**

**CASE STUDY**

**CONNECTOR COMPANY LIMITED.**

Connector Company limited is a global wholesale organization founded in 1977 and focus on screws and fastener products. The company is headquartered in Northern Africa. Connector has approximately 600 employees in Northern Africa and another 100 in East Africa. A total of 8 billion shillings in sales is generated globally. Connector Company's product portfolio is characterized by a high degree of standardization and a wide variety of variants. The 20,000 different products are each available in 10 to 40 different surface materials (brass, copper, aluminum, zinc, and many other coatings). The production process of the products is usually very simple (cold extrusion or forging). Although there may well be qualitative product differences, this simple method of production means that the market offering is defined by a high level of standardization and substitutability. The products are used in a variety of industries. Basically, every company that produces machinery or electronics depends on screws or other fastener products. While the smallest screw manufactured measures only 1 mm (M1), the largest product series has a diameter of 200 mm (M200).

As Connector Company Ltd is only a wholesale organization, they do not own any production facilities. In order to source their products, they have a large supplier network in China. Two hundred suppliers manufacture on behalf of Connector Company Ltd. These are often so-called 'branded products,' which are manufactured in the same or similar manner for other wholesalers and are branded specifically for each wholesale brand. These are transported by sea to Africa, from where they are distributed worldwide. The delivery time from placing the order to arrival in Northern Africa is 6–7 months. In order to be able to guarantee their customers high product availability, Connector relies on a large central warehouse at its location in Northern Africa. Connector Company Ltd guarantees their African customers a delivery time of two days for 99% of their product portfolio. The share of the total sales volume of Connector Company Ltd is spread across the different global regions.

Due to the simple product structure, the hurdles for counterfeit products are sometimes very low. At first glance, these counterfeit products often appear to be identical to official Connector Company Ltd products, but, in some cases, they exhibit major differences in quality and security. After entering the US market in 2015, Connector Company Ltd was able to grow continuously in this market (currently, Connector Company's share of total sales in the USA is 10%). The delivery promise (delivery time in Africa: two days after receiving the order) will be more difficult to keep, as only the warehouse in Northern Africa is currently available for worldwide shipment and therefore everything would have to be sent by air. Deliveries in the USA are currently limited to long-term contracts with direct industrial partners, so that it is possible to ship cheaply in bulk or to fly in an emergency. However, the goal is to enter the more volatile after-sale and retail markets. Projections for this show that a warehouse structure in the USA can make sense above a certain volume.

**Read the case study above and answer the questions that follow.**

- a) Analyze five factors that may affect Connector Company logistics costs. (5 marks)
- b) Prescribe five possible solutions to the warehouse and storage problems facing Connector Company Ltd. (5 marks)
- c) Examine five trends in international logistics that may affect Connector Company's logistics operations suggesting mechanism for responding to the trends. (5 marks)
- d) Recommend five Incoterms that Connector Company Ltd may have considered prior to any form of engagement with its suppliers and customers. (5 marks)
- e) Suggest strategies that a connector company should use to manage delivery time. (5 marks)
- f) Explain reasons why the company transport goods by sea to Africa, from where they are distributed worldwide. (5 marks)

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

- a) Describe eight factors influencing Packaging decisions and considerations in International Logistics. (8 marks)
- b) Bonded warehouse is licensed by the government to accept imported goods for storage until payment of custom duty is cleared. Highlight benefits of this bonded warehouse. (4 marks)
- c) Pinpoint the key differences between local and international logistics. (8 marks)

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

- a) Explain four inventory control models that an organization can use in managing its inventories in international business environment. (8 marks)
- b) Discuss factors that necessitate the organization to hold inventories. (5 marks)
- c) International payment procedure poses threat to both buyer and seller, discuss methods that can be used for payment by exporter and importer. (7 marks)

**QUESTION FOUR (20 MARKS)**

- a) What are the roles played by clearing and forwarding agents in international logistics?  
(6 marks)
- b) Briefly explain documents used in international logistics and supply chain management.  
(8 marks)
- c) Good customer service is a tool that can be used by organization to gain competitive advantage, highlight methods that can improves customer service in international logistics.  
(6 marks)

**QUESTION FIVE( 20 MARKS)**

- a) Explain role of containerization in international logistics for modern companies.  
(8 marks)
- b) International companies have leveraged on information communication technology on their activities. Describe how companies are leveraging on information communication technology in their logistics activities.  
(7 marks)
- c) Highlight the roles of third party and fourth party logistics service providers.  
(5 marks)