

PAPER A



TECHNICAL UNIVERSITY OF MOMBASA
SCHOOL OF BUSINESS
DEPARTMENT OF MANAGEMENT SCIENCE
UNIVERSITY EXAMINATION FOR
DIPLOMA IN LOGISTICS AND TRANSPORT MANAGEMENT
(YEAR 2 SEMESTER 1)
BLT 2204: CLEARING AND FORWARDING

INSTRUCTIONS

You should have the following for this examination

-Answer Booklet

This paper consist of FIVE questions.

Attempt question One (Compulsory) and any other two questions

Maximum marks for each part of a question are shown

This paper consist of two printed pages

Do Not Write on the Question paper

Question one (Compulsory)

- a) Clearing is the procedure by which an organization acts as an intermediary and assumes the role of a buyer and seller. Discuss the term freight forwarding and elaborate on its advantages to the seller and to the buyer (12 marks)
- b) Persons properly described as shipping and forwarding agents frequently act as carriers themselves with respect to part of the carriage, for example, by performing collection and delivery services between the customers' premises, their own depots, and warehouses, docks and carriers' depots. In such cases these agents have their rights and liabilities. Explain Rights and liabilities of forwarding agents they would have during the time they are performing their duties. (12 Marks)
- c) Trade facilitation is characterized by many stakeholders at the national, regional or international level, and from the public as well as the private sector. The Model of an international trade transaction is being facilitated by different parties or groups, discuss these parties/groups involved and their roles. (8 marks)

Question Two

- (a) A Diversity of Modes Transport modes are the means by which people and freight achieve mobility. They fall into one of three basic types, depending on over what surface they travel – land (road, rail and pipelines), water (shipping), and air. Explain the main disadvantages of joint operations. (10 marks)
- (b) Transshipment is a shipping activity where goods are transported to a third party or intermediate location before being sent to their final destination. There are a wide variety of reasons for shippers to engage in this activity and some ports and rail hubs specifically design and market themselves to be friendly to transshipment activities for the convenience of shipping carriers. There are risks associated with transshipment. Explain these risks (10 Marks)

Question 3

- (a) The disbursement voucher may be used in situations in which a payment is not processed through another procurement method, such as purchase order or procurement card. Institutions may have different rules for the processing of payments, Discuss some of the instances in which a disbursement voucher might be used (10 Marks).
- (b) There are numerous advantages of road transport in comparison to other modes of transport, explain these merits (10 Marks)

Question 4

- (a) Establishing a clearing and forwarding firm is very important to the clearing and forwarding agents. What are these factors one has to consider in establishing this firm (10 Marks)

- (b) Freight forwarder is an agent who can move cargo from door to door. This is by providing several significant services, Explain the services provided by the freight forwarders (10 Marks)

Question Five

10 marks

- (a) Containerization is a system of intermodal freight transport using intermodal containers (also called shipping containers and ISO containers) made of weathering steel. The containers have standardized dimensions. What are the main advantages of containerization (10 Marks)
- (b) Documentation is a requirement in international trade and for moving goods, a business document should have important features or information. Discuss the features (10 marks)