



**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**

**SPECIAL SUPPLEMENTARY EXAMINATION SEPT. 2017**

**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) Establishing a clearing and forwarding firm is very important to the clearing and forwarding agents what are these factors one has to considers in establishing this firm, discuss. (12 Marks)
- (b) Documentation is a requirement in international trade and for moving goods, a business document it is very vital and necessary these documents are classified into five different

categories. Discuss the document classification used in international trade and give two examples in each category (12 marks)

- (c) Freight forwarding is the coordination and shipment of goods from one place to another via a single or multiple carriers via air, marine, rail or highway. Explain some of the many advantages of using freight forwarding while clearing and forwarding cargo or rendering any services (8 marks)

### **Question Two**

- (a) Pipeline routes are practically unlimited as they can be laid on land or under water. Pipeline construction costs vary according to the diameter and increase proportionally with the distance and with the viscosity of fluids from gas, low viscosity, to oil, high viscosity. Discuss five advantages of pipeline as mode of transport (10 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. (10 Marks)

### **Question Three**

- (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 disadvantages of containerization (10 Marks)
- (b) Multimodal transport is the transportation of goods under a single contract, but performed with at least two different means of transport; the carrier is liable for the entire carriage, even though it is performed by several different modes of transport. Discuss the advantages of multimodal transport (10 Marks)

### **Question Four**

- a) 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)
- b) A company uses documents to communicate, transact business and analyze its productivity. Since documents provide proof of an organization's dealings and may be

referred to for years to come, it is important that they be well written. Explain the main features in any business document (10 Marks)

### **Question Five**

- a) 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 facilitate by different parties or groups, discuss these parties/groups involved and their roles. (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)