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School of Business**Bachelor of Business Administration
Semester End Examination - May 2024****Duration : 180 Minutes****Max Marks : 100****Sem VI - D1UC601T - Managing Air Cargo and Shipping Logistics***General Instructions**Answer to the specific question asked**Draw neat, labelled diagrams wherever necessary**Approved data hand books are allowed subject to verification by the Invigilator*

- 1) Identify the types of freedoms of the air, and how do they impact international air transportation and aviation agreements? K3 (6)
- 2) Consider a situation where a company is involved in importing goods from overseas suppliers, and they encounter challenges in customs clearance and documentation. Identify the role and actions of a shipping agent in addressing and resolving these issues. K3 (9)
- 3) List out the advantages of the Suez Canal in facilitating global trade and maritime transportation, and how does its strategic location contribute to its significance in the shipping industry? K4 (4)
- 4) The global trading company, Morris International Traders, has secured contracts to ship a diverse range of goods to different international destinations. The company deals with bulk commodities, perishable goods, and high-value products, and each shipment requires careful consideration of the most appropriate type of international ship. List the considerations should Morris International Traders take into account when selecting the appropriate type of international shipping for their diverse range of goods, including bulk commodities, perishable goods, and high-value products? K4 (8)
- 5) Exporting goods entails a meticulous documentation process aimed at ensuring adherence to regulatory standards and expediting customs clearance processes seamlessly. This process demands the preparation and submission of a myriad of essential documents, each playing an indispensable role in orchestrating the export transaction efficiently. These documents serve as the backbone of the export process, facilitating the smooth movement of goods across borders and safeguarding the interests of all stakeholders involved. Analyze the essential documents required for exporting goods, and what is their significance in the export shipment process? K4 (8)

K5 (10)

- 6) Door to door delivery is a logistics service that offers the convenience of transporting goods directly from the seller's location to the buyer's specified destination, typically their doorstep. This service encompasses the entire transportation process, from pickup at the seller's premises to final delivery at the buyer's designated address, eliminating the need for the customer to arrange for transportation or visit a pickup location. Door to door delivery is commonly used in e-commerce and retail sectors, offering customers a seamless and hassle-free shopping experience. It ensures timely delivery, enhances customer satisfaction, and streamlines the shipping process for both businesses and consumers.

Question-1- Explain how do advancements in technology impact the efficiency and effectiveness of door-to-door delivery services? (5marks).

Question-2- What challenges might arise in providing door-to-door delivery, and how can they be addressed?(5marks)

K5 (10)

- 7) The purpose of inspection certification is to provide assurance to stakeholders, including importers, exporters, and regulatory authorities, that the cargo meets specific requirements and poses no risks to health, safety, or the environment. It helps prevent the transportation of hazardous or non-compliant goods and facilitates smooth customs clearance procedures. Inspection certification may cover a wide range of aspects, including product quality, quantity, packaging, labeling, and compliance with international standards and regulations. For example, agricultural products may undergo inspection to ensure they are free from pests or contaminants, while hazardous materials may require certification to confirm proper handling and packaging.

Question-1-Explain the role of third-party inspection agencies in conducting inspection certification for cargo?(5marks).

Question-2- What are the potential consequences of shipping cargo without proper inspection certification?

K5 (15)

- 8) A multinational company engaged in the export of electronic goods faced challenges in its air cargo shipments. Despite having a robust product line, the shipment process was marred by delays, errors in documentation, and customs clearance issues.

Question-1-(5marks)- What specific challenges has the multinational company encountered in its air cargo shipments of electronic goods, and how frequently do these issues occur? Question-2-(5 marks)- How do delays in air cargo shipments affect the company's ability to meet customer demands and maintain a competitive edge in the market for electronic goods? Question-3-(5 marks)- Are there specific regions or countries where the challenges in air cargo shipments are more pronounced, and what factors contribute to these variations?

9) The role of technology in shipping logistics is pivotal, offering transformative solutions that enhance efficiency, reduce costs, and streamline operations across the supply chain. Advanced technologies such as GPS tracking, RFID tagging, and blockchain enable real-time visibility and traceability of shipments, optimizing route planning and inventory management. Automated systems for cargo handling and documentation minimize errors and accelerate processing times, driving down operational costs. Additionally, predictive analytics and machine learning algorithms provide valuable insights for demand forecasting and resource optimization, further improving cost-effectiveness. Embracing technology empowers shipping companies to operate more efficiently, respond to market dynamics swiftly, and deliver superior value to customers while maintaining competitiveness in the global marketplace.

Questions-1-Discuss any potential risks or drawbacks of relying heavily on technology in shipping logistics, and how can they be mitigated?(6marks).

Question-2-In what ways does embracing technology help shipping companies maintain competitiveness in the global marketplace while delivering superior value to customers?(6marks).

10) INCOTERMS-2010

K6 (18)

Facts-A company manufactures large tanks at its production site in Germany and sells them to a customer in Switzerland. The buyer and seller have agreed "CPT Zürich Incoterms 2010" as delivery conditions. The company employs a service provider to transport the tanks to Switzerland. During transportation the tanks are damaged and the customer refuses to accept them. He demands the delivery of new tanks. Is responsibility for the damage to the tanks to be borne by the buyer or seller? Can the buyer refuse to pay for the goods or is he bound to pay the sale price despite the damage? Has the seller discharged his obligation to deliver the goods?

Strategy-It is worth taking the time to consider the implications of delivery conditions before concluding a transaction in order to often avoid disputes later on. AWB's consultants will help you identify the most suitable Incoterms for your transaction or formulate a separate clause regulating the terms and conditions of delivery. They will analyse the planned transaction and propose solutions that reflect your individual needs. AWB can also provide assistance in existing disputes concerning the interpretation of delivery terms – especially those involving damage to consignments.

Success-The interpretation of Incoterms is straightforward: in the case of supplies made CPT the seller is responsible for arranging transportation and bears the related costs. However, the risk of losing the goods is borne by the buyer as from Cargo Classification the contractual place of delivery. Therefore, if it cannot be determined who was liable for the damage to the goods, the buyer is responsible for the damage due to the early transfer of risk. Therefore, the customer cannot demand that the company supply new tanks.

Question-1-How do INCOTERMS help in defining the responsibilities and liabilities of the buyer and seller in terms of delivery conditions?
Question-2-Analyze the implications of the chosen INCOTERM on determining liability for the damaged goods.
Question-3-According to the case study, what is the straightforward interpretation of INCOTERMS, specifically for supplies made under CPT?