DATE …………………………….……… STUDENT NO……...……………...…………..…

EXAMINATION CENTRE ……...…………………………………………………………..…………..

THE SHIPPING AND FORWADING AGENTS’ ASSOCIATION OF ZIMBABWE

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## FREIGHT FORWARDING AND PRACTICE DIPLOMA

**FINAL EXAMINATION**

**PAPER ONE**

**30 NOVEMBER 2017**

# MULTIPLE CHOICE / TRUE OR FALSE/ SHORT ANSWER QUESTIONS

**TIME ALLOCATION: (1 HOUR)**

**INSTRUCTIONS**

* Remember to write your student number in the space provided on this page and on every other page of this paper. This examination script is the property of SFAAZ and must not be removed from the examination room.
* Answer all questions.
* Each question carries 1 mark.
* This paper carries 40% of the final examination marks.

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**Multiple Choice Questions:** Indicate by inserting the letter of your chosen answer (a,b,c or d) in the brackets provided.

1. **The key function of a freight forwarder is to ……………….**
2. Act as agent on behalf of the shipper of the goods or the carrier.
3. Act as a contracting carrier and assuming carrier liability while not performing the carriage himself.
4. Acting as the performing carrier.
5. All of the above.
6. None of the above. **Answer ( )**
7. **Why might a business use a company to provide some of its logistics?**
8. It is always better to use other courses of transportations.
9. It speeds up order fulfillment.
10. Material handling costs are lower.
11. It allows the business to focus on its core function.
12. All of the above. **Answer ( )**
13. **At what point does risk transfer from the seller to the buyer if the terms of shipment are DAP?**

1. Once the goods are handed over to the first carrier or forwarder.
2. Once goods are delivered at the destination address.
3. Once goods leave the factory at origin.
4. Once the goods have been placed on the shipping vessel.
5. All of the above. **Answer ( )**
6. **Why are LCL lead times longer than FCL lead times?**

a. Shipments may move on different vessels.

b. Shipments may take different routes.

1. Consolidation and deconsolidation procedures at origin and destination ports take longer.
2. All of the above.
3. None of the above. **Answer ( )**

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1. **Why is it better to ship goods as pallets instead of loose cartons?**
2. To increase the weight of the package.
3. Airlines / Shipping lines do not accept loose cartons.
4. Pallets are easier to handle and more secure.
5. Pallets are better when coming up with a stowage plan.
6. C and D above. **Answer ( )**

1. **A logistics network can best be described as…………..**
2. The choice of rail, marine or road transport.
3. The routes taken to move goods.
4. The warehouses, production facilities, retailers and inventory that flows between them.
5. The least cost route from consignor to consignee.
6. All of the above. **Answer ( )**
7. **When compared to road transport, rail transport is…………..**
8. More flexible and cheaper.
9. Less flexible and more expensive
10. More flexible but more expensive
11. Less flexible but cheaper.
12. None of the above. **Answer ( )**
13. **Transport Operators should ensure the proper load securement to avoid accidents and damage or loss to cargo. Which load securement is recommended for tobacco cartons (200kg) packed in cartons from slip and damage during transit?**
14. Anti-slip mates
15. Pallets
16. Edge protectors and lashing
17. Positive fit
18. All of above **Answer ( )**

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1. **When a customer pays for the freight of the shipment at the shipping destination it is called. …..**
2. Cash on Delivery.
3. Paid at destination.
4. Freight Collect.
5. A and C above.
6. None of above. **Answer ( )**
7. **UNECE stands for.**
8. United Nation Economic Commissions for Europe.
9. United Nations Economic Council for Europe.
10. United Nations Economical Commissions for Europe.
11. United Nations Economic Commission for Europe.
12. None of the above. **Answer ( )**
13. **In ICT there are network interfaces and *Bridge*s is one of them. What purpose does it save in a system such as ”Asycuda” World?**
14. Passes data from one network to another.
15. Filters messages and finds the correct route.
16. Processes part of the contents and stores the message.
17. All of above.
18. None of above . **Answer ( )**
19. **For a 40 foot container the maximum gross weight is \_\_\_\_\_ for dry cargo.**
20. 38 000kg.
21. 30 480kg.
22. 30 400kg
23. 27 800kg.
24. None of above. **Answer ( )**

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1. **Reverse logistics refers to…….**
2. Returning trucks from deliveries.
3. Backward scheduling of deliveries.
4. Movement of goods from customers back to the producer.
5. Transport from the producer directly to the retailer.
6. All of the above. **Answer ( )**
7. **To achieve release of cargo in Zimbabwe requires …….**
8. The surrender of an original bill of lading
9. Payment of any freight due to be collected at the discharge port or by the shipping line.
10. Evidence of the bringing of ad valorem wharfage to account, usually in the account of the port agent.
11. All of the above.
12. Only A and B above. **Answer ( )**

1. **Which of the following Dangerous Goods Classes is incorrect?**
2. Class 6 - Toxic and Infectious Substances
3. Class 7 - Radioactive Material
4. Class 5 - Oxidising and Infectious Substances
5. Class 8 - Corrosives
6. None of the above. **Answer ( )**
7. **Which of the following is the international regulation influencing risk management by sea transport?**
8. Container Security Initiative (CSI).
9. Sea AMS (24‐h‐) Automated Manifest System.
10. Customs‐Trade Partnership (C‐TPAT).
11. International Ship and Port Facility Security (ISPS) Code.
12. All of above. **Answer ( )**

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1. **All risks cannot be covered, but there are genuine situations that make insurers honour their obligations. Which of the following is not covered by the insurers across the industries?**

1. An insurable interest.
2. A financial value.
3. A large number of similar risks.
4. Catastrophic losses.
5. None of above. **Answer ( )**
6. **Maritime containers only ensure zero cargo damage when due care is exercised for both FCLs and LCLs. Which of the following should be practised during container loading ?**
7. The loading should be guided by the rating plate.
8. Stowage plan.
9. National regulations on permissible payloads.
10. Cargo compatibility.
11. All of above. **Answer ( )**

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**True or False Questions –** Indicate answer in the brackets provided with either a (T) or an (F).

1. The FIATA FCR is Issued by the shipping line in acknowledgement of receipt of goods.

**TRUE or FALSE** ( )

1. Landbridge is when containers are shipped overland as part of a sea-land route.

**TRUE or FALSE** **( )**

1. The port of CapeTown consists of two docks.

**TRUE or FALSE ( )**

1. Radio frequency identification technology is used to enhance the ability to keep accurate inventory counts in warehouses.

**TRUE or FALSE ( )**

1. When the Incoterm is Ex works, the buyer’s nominated freight forwarder must arrange for the loading of the goods into the truck at the factory. In practice the seller only assist in this task. **TRUE OR FALSE ( )**
2. A freight forwarder is not expected to effect physical delivery such as providing storage and packing. **TRUE OR FALSE ( )**

1. Subrogation rights gives entitlement to the insurer, by law, to step into the shoes of the insured once aclaim has been paid for, and assume all rights that the insured had over third parties. **TRUE OR FALSE ( )**
2. A High cube ISO container is coded 45G.

**TRUE OR FALSE ( )**

1. Assemblage (LCL/FCL) is the best example of the “Buyer Consolidation”.

**TRUE OR FALSE ( )**

1. Rating plate displays the manufacturer’s details.

**TRUE OR FALSE ( )**

1. Carriage of dangerous goods by road is regulated by RID.

**TRUE OR FALSE ( )**

1. In the context of the movement of goods the concepts of demurrage and detention have the same meaning. **TRUE OR FALSE ( )**
2. The document permitting sealed road transport shipments to traverse through European countries without undergoing [customs](http://www.globalnegotiator.com/international-trade/dictionary/customs/%22%20%5Ct%20%22_self%22%20%5Co%20%22A%20government%20authority%20designated%20to%20regulate%20flow%20of%20goods%20to/from%20a%20country%20and%20to%20collect%20duties%20levied%20by%20a%20country%20on%20imports%20and%20exports.%20The%20term%20also%20applies%20to%20the%20procedures%20involved%20in%20such%20activities.) inspection until reaching the destination country is called TIR Carnet. **TRUE OR FALSE ( )**
3. Specific objective in setting the specific commodity rate is to attract the maximum volume of cargo to the air mode of transport in competition with other modes such as sea freight, rail freight, and road freight. **TRUE OR FALSE ( )**
4. An ATA Carnet is the simplest duty free and tax free method of exporting goods on a temporary basis. **TRUE OR FALSE ( )**
5. Zimbabwe’s NRZ is an OTIF member. **TRUE OR FALSE ( )**
6. An MTO is obliged to take insurance policy of his/her own and the Agents he/she will contract. **TRUE OR FALSE ( )**
7. Proximate clause is when the insurer does not honour the claim from the insured because of moral hazard acts. **TRUE OR FALSE ( F )**

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**Short Answer Questions – Indicate answer in the spaces provided.**

1. The place of interchange between two or more modes of transport is called a \_\_\_\_**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**\_\_\_\_\_\_\_\_\_\_\_\_.
2. A transport chain by its nature is multi faceted and issues of security are therefore multi- pronged. Name 2 characteristics that can be found within it.

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1. Besides the insurer and the insured name 2 other parties in the insurance business cycle.

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1. Hire or lease contract between the owner of a vessel (aircraft or ship), and the hirer or lessee  is called a \_\_\_\_\_\_\_\_\_**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**\_\_\_\_\_\_\_
2. \_\_\_\_\_\_\_\_**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**\_\_\_\_\_\_\_\_is a program intended to help increase security for containerized cargo shipped to the United States from around the world.
3. Name any two types of services offered by airlines for the carriage of goods by air.

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1. Three “hard objectives” for creating logistics advantage are…..

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1. SQAS stands for **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**
2. **The worlds five conti**nents have been regrouped into three areas in Air transportation, area 3 covers \_\_\_**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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1. Which major event heightened the need for security throughout the world but more so in the western world? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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1. **AMS** is a multi-modular cargo inventory control and release notification system for sea, air, and rail carriers. What does it stand for?

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1. **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**\_\_\_\_\_\_\_issues arise when the threat is always caused by human malevolence (Voluntary action).
2. When does an MTO assume full liability ona contract?

 **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**\_**\_\_

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1. An \_\_\_\_\_\_\_\_\_\_**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**\_\_\_\_\_\_\_\_\_\_\_ is the software that drives the hardware part of the computer.

***\*End of Examination Paper\****