

CHUKA



UNIVERSITY

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RESIT/SPECIAL EXAMINATIONS

**EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF
PROCUREMENT AND LOGISTICS MANAGEMENT**

BPLM 223: CLEARING AND FORWARDING

STREAMS: BPLM Y2S2

TIME: 2 HOURS

DAY/DATE: TUESDAY 02/02/2021

8.30 A.M – 10.30 A.M

INSTRUCTIONS:

Answer question **ALL** questions

QUESTION ONE (20 MARKS)

- a) Discuss vividly the four classes of INCOTERMS as used by the international chambers of commerce clearly highlighting the responsibilities of each party. (10 marks)
- b) Discuss the Challenges encountered by importers and clearing agents in the importation process (10 marks)

QUESTION TWO (20 MARKS)

Documentation is critical in international trade and it serves as evidence whenever perils occur. Vividly discuss the major documents used in clearing and forwarding. (20 marks)

QUESTION THREE (20 MARKS)

Using examples, discuss the following concepts in relation to strategic Clearing and Forwarding.

- i) Exports. (5 marks)
- ii) Freight forwarders (5 marks)
- iii) Logistics management (5 marks)
- iv) Transport management. (5 marks)

QUESTION FOUR (20 MARKS)

- a) Discuss the procedure of importation followed when procuring from overseas [10 marks]
- b) Discuss the Pre shipment inspection Certificate process conducted by the SGS (*societe Generale de Surveillance*) before dispatch to ensure compliance with description in sales contract and export documents. (10 marks)

QUESTION FIVE (20 MARKS)

- a) Compare and contrast the major transport modes used globally clearly showing their advantages and disadvantages in each case. (10 marks)
 - b) With regard to procurement mode of payment, discuss the three types of letters of credit and explain the basic steps/procedures of using letter of credit to make payments when clearing goods from country of origin. (10 marks)
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