

**CHUKA**



**UNIVERSITY**

**UNIVERSITY EXAMINATIONS**

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

**BPLM 223: CLEARING AND FORWARDING**

**STREAMS: BPLM Y2S2 & BCOM Y3S1**

**TIME: 2 HOURS**

**DAY/DATE: THURSDAY 12/04/2018**

**11.30 A.M. – 1.30 P.M.**

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**INSTRUCTIONS:**

- **Answer question one (compulsory) and any other two questions.**

**Question one**

**Freight Forwarding Case Study**

A Kenyan company is looking to open up new markets and distribute DVD players throughout Europe. To be successful it is imperative that the shipping process is transparent for the buyer and that they would not have to deal with price uncertainties, shipping or customs related issues. It is also important that costs are kept to a minimum so that the product would have an attractive price point and that delivery times are controlled. The company has approached you as a Consultant specialist in freight forwarding to develop a customized solution to meet the vendor's specific goals for the European market. Services included: guidance on marking, labeling and packaging, completing export documentation, shipment consolidation and transportation management, rate negotiation, cargo insurance, export reporting, shipping to consolidated entry point, customs clearance, warehousing and fulfillment from point of arrival throughout Europe.

**Required**

- (a) Advise the firm on the process it would follow to clear the goods from Kenya before shipping them to Europe. (10 marks)
- (b) Which specific documents would the Kenyan Company require prior to the exportation process? (10 marks)
- (c) Would it be practical for the company to consolidate the shipment of the DVD players? What benefits would result from the shipping consolidation? (10 marks)

**Question two**

- (a) Do INCOTERMS facilitate the importation and the exportation process? Discuss using relevant examples. (10 marks)
- (b) Differentiate between clearing and forwarding and freight forwarding. (10 marks)

**Question three**

- (a) Import and Export Cargo insurance among the East African is mandatory. Explain why this regulation is important. (10 marks)
- (b) Explain the major functions of customs strong rooms when clearing goods and services at the major gateways and corridors in Kenya. (10 marks)

**Question four**

- (a) The automation of the port operations in Kenya has increased the efficiency cargo handling. Discuss. (10 marks)
  - (b) Explain the main functions of customs in the maritime business. (10 marks)
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