



UNIVERSITY OF PETROLEUM & ENERGY STUDIES

End Semester Examination– May, 2023

Program: MBA (IB)
Subject/Course: International Logistics & Supply Chain Management
Course Code: LSCM7003

Semester: II
Max. Marks: 100
Duration : 3 Hours

IMPORTANT INSTRUCTIONS

Section A(20marks)

- 1. Each Question subpart will carry 2 Marks*
- 2. Instruction: Complete the statement / Select the correct answer(s)*

1	Very Short answers	COs
a	A preferential duty rate is a rate of duty that is _____ than the normal tariff duty rate in the tariff of a country.	CO1
b	ULD stands for_____	CO1
c	JIT concept was introduced by_____	CO1
d	_____ is the remuneration paid to the owners of technology, patents, or trade names for the use of same.	CO1
e	The specialized containers used in air transport are known as _____.	CO1
f	A _____duty rate is a rate of duty that is lower than the normal tariff duty rate in the tariff of a country.	CO1
g	Dumping occurs when firms sell goods _____ a ‘fair market price’ e.g. below cost, because of excess supply.	CO1
h	_____ was replaced by the World Trade Organization (WTO) in 1995.	CO1

i	_____ transport is the transportation of goods under a single contract, but performed with at least two different modes of transport; the carrier is liable for the entire carriage, even though it is performed by several different modes of transport.	CO1
j	VMI stands for_____.	
Section B (20 marks) <i>Attempt any four</i> <i>Each Question will carry 5 Marks</i>		
2	Discuss briefly the significance of a letter of credit in international business.	CO2
3	What is a trade bloc? Name two major trade blocs of the world.	CO2
4	What is Bill of Entry? Explain its significance in International Trade.	CO2
5	What is contract manufacturing?	CO2
6	What is the difference between inward-oriented trade strategies and outward-oriented trade strategies followed by governments of different countries?	CO2
Section C (30 marks) <i>Each question will carry 10 marks</i>		
7	The logistics cost in India is quite higher than in most developed countries which is a big hindrance to the way of the Make in India program. One of the main reasons for this is the poor logistics infrastructure of the country. Discuss the Government initiatives to target this issue. Also, explain how containerization has redefined global transportation.	CO3
8	What do you understand by Geographical, Functional, and Sectorial Integration? Explain the same with suitable examples from a global supply chain perspective.	CO3
9	Discuss the complexities of International sourcing and suggest different measures to overcome those. Also, explain the importance of Incoterms.	CO3
Section D (30 marks)		

Attempt any one

This question carries 30 Marks.

Caselet

DELL: SURVIVING A LOGISTICAL NIGHTMARE

Well-known U.S.-based computer maker Dell seems to have perfected the art of making just-in-time computers and supplying them to its consumers. The company is known to keep costs under control by directly reaching the consumer without the additional expense on intermediaries. Dell owns no warehouses but manages to assemble over 75,000 computers a day and its build-to-order business model is a case study in itself. Add to that an effective after sales service and Dell has itself a competitive advantage that has been almost unbeatable. But maintaining this position takes work, especially when you have a company that sources its computer parts from numerous suppliers all over the world. Companies such as Dell usually ship computer parts to various U.S. and international ports from their suppliers. So, what happens when dockworker unions on the west coast of the United States go on strike for days at a stretch? Well, most companies lose millions due to this kind of unexpected disruption in the supply chain. But, not Dell! Dell faced this situation in the recent past. While many U.S. firms faced adversity, Dell managed to get by with the fewest scratches. This is how. When the strike prevented parts sourced internationally from reaching Dell's plants in the United States, the company was faced with the probability that as the strike continued, its U.S. factories would run out of parts. Dell would soon be unable to put together its computers without the necessary parts and the company would then be left idling like so many others. However, unlike a hurricane or a tsunami that is hard to predict, most U.S. firms were aware of the impending dockworker's strike a few months in advance. So, Dell started getting itself ready by having a plan in place in case its supply chain did get disrupted. One important move was up-to-the-hour communication with the concerned parties, such as its international suppliers, most of them from Asia, the port authorities, and the sea transport companies that it relied on to ship the products. At the time, the dockworkers formally announced the strike Dell was able to put its plan into action. The measures Dell took were no different from those taken by other firms. Obviously, most firms use sea transport for shipping their parts and products from overseas because it is the cheapest form of transport. However, when that route got eliminated temporarily due to a dock strike, most firms sought the expensive but fastest air transport. Thus, most U.S. firms started booking airlines to transport their much-needed parts from abroad. Consequently, there were high costs of flying in parts with several firms vying for flights from logistics firms such as UPS and FedEx and other major airlines as well. Dell had already accounted for the use of air travel well in advance and as a result, it was able to charter planes to ship its foreign parts to the United States at almost half the cost of other companies. Furthermore, up-to-minute communication with its suppliers ensured that parts were always ready and waiting to be shipped to the United

10

CO4

States so the aircraft that shipped those parts did not have to wait in the hangars until the parts were there. Next came the part when the strike was over and the tens of ships arrived with Dell-destined parts. The company had planned for this as well. It calculated the unloading cycle so that company associates could collect the company's containers as they arrived rather than waiting to sort through the backup and waste time later on. During the week and a half that the dock closings lasted, Dell was on time to deliver every single computer. Consumers thus had no reason to even doubt that the company was right in the middle of a logistical crisis. Global firms with their global operations are able to reap the benefits of low cost sourcing, etc. but what comes with the territory is a constant threat to operations and having contingency plans in place plays an important role in successfully combating such hard times. The dockworkers' strike and the terrorist attacks on the United States in 2001 brought home to some global firms the need to either maintain warehouses and spare inventory, or keep their suppliers close by or then be prepared to face these situations the way Dell did.

QUESTIONS

- a. Would it be a good strategy for Dell to own some warehouses in case of unforeseen events? Analyze how would that affect their business model? (15 marks)

- b. Dell spent a considerable amount of time and money planning in advance in case of a disruption in its supply chain. What should the company do to avoid the additional expenditure in case of future disruptions? (15 marks)

OR

- c. Is global economy boon or bane for the local economy? Discuss this statement with regard to globalization. Also, throw light upon trade protectionism and the variety of protectionism strategies followed by governments. (20 marks)

- d). What is Arbitration? Why is it a preferred mode of dispute resolution? (10 marks)