

UNIVERSITY OF SWAZILAND
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS ADMINISTRATION
SECOND SEMESTER MAIN EXAMINATION 2019
FULLTIME & IDE

TITLE OF PAPER : MARKETING LOGISTICS

COURSE : BUS428/BA422

DEGREE AND YEAR : BCOM 4/BCOM6

TIME ALLOWED : THREE (3) HOURS

INSTRUCTIONS:

- 1. THIS PAPER CONSISTS OF SECTIONS (A) AND (B)**
- 2. SECTION (A) IS COMPULSORY**
- 3. ANSWER ANY THREE (3) QUESTIONS FROM SECTION B**
- 4. THE TOTAL NUMBER OF QUESTIONS IN THIS PAPER IS FIVE (5)**

**NOTE: MARKS WILL BE AWARDED FOR GOOD COMMUNICATION
IN ENGLISH AND FOR ORDERLY PRESENTATION**

**THIS EXAMINATION PAPER SHOULD NOT BE OPENED UNTIL INVIGILATOR HAS
GRANTED PERMISSION**

SECTION A (COMPULSORY)**READ THE FOLLOWING CASE AND ANSWER THE QUESTIONS BELOW**

Exclusive Merchandise has an upscale mall situated in Mbabane in the Hhohho Region. It is a shop-in-shop based on international standards and has a complete range of who's who of shopping items. The shop area is nearly 35,000 square feet and about 5,000 customers visit the mall daily. Fierce competition has driven Exclusive Merchandise to linkup with music companies, popular food outlets and major retailers to guarantee a constant flow of traffic to the mall. To ensure that no stock-outs occur, Exclusive Merchandise has built a warehouse close to its mall and based on consumption patterns, the warehouse is regularly stocked with the required inventory.

Exclusive Merchandise uses road transport to ferry goods sourced from international vendors. Though expensive as compared to railway, road transport has advantages in terms of door-to-door delivery, quicker decisions regarding change in routes or change in delivery schedules, etc. Exclusive Merchandise physically opens the packages received from the vendors and then sort out the goods and put the necessary price tags. The goods are then repackaged to be appropriately stacked for final delivery, as and when required. Since no heavy inventory has to be transported, mechanized material handling is not used as it would involve heavy capital investment. Pallets and crates are used extensively.

When customers return goods due to defects, Exclusive Merchandise sends the goods to the warehouse from where the goods are then sent back to the concerned vendor. The cost of return is borne by the vendor. When new stock arrives, the sales department of Exclusive Merchandise uses bill-boards to inform customers about new stock which are placed early in the morning, before customers arrive. This makes it convenient for the customers to know about the new arrivals. Exclusive Merchandise is very keen to ensure that the customers get the right product at the right time. At the same time, the management of Exclusive Merchandise desires to reduce the overall cost of running the business.

QUESTION 1

- a) With reference to the system elements of logistics, discuss how Exclusive Merchandise can improve the organisations logistics processes. **(20 MARKS)**

- b) Exclusive Merchandise uses road transport to ferry goods from one place to another. Explain how road transport adds value to Exclusive Merchandise and then discuss the strengths and limitations of this carriage method. **(20 MARKS)**

SECTION B (ANSWER ANY THREE QUESTIONS)

QUESTION 2

- a) Explain what demand forecasting is and then discuss why it is important. **(10 MARKS)**
- b) Describe with examples, the elements of a good forecast. **(10 MARKS)**

QUESTION 3

Using an organisation of your choice, describe how marketing logistics can create and enhance the long term wealth of that organisation. **(20 MARKS)**

QUESTION 4

All facilities must move with the times and introduce bar coding and scanning in order to be effective. Comment on this assertion and motivate your answer. **(20 MARKS)**

QUESTIONS 5

Describe the objectives of procurement management and then discuss how e-procurement can be off benefit to an organisation. **(20 MARKS)**