



Dr.G.R.Damodaran College of Science

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CRISL rated 'A' (TN) for MBA and MIB Programmes

II MIB [2016-2018]

SEMESTER III

ELECTIVE I : DISTRIBUTION AND CARGO MANAGEMENT

Multiple Choice Questions.

1. Logistics grew from the _____ function of supplying troops in the field.

- A. Airforce
- B. Military
- C. Commerce
- D. Distribution

ANSWER: B

2. The logistics is derived from the _____ word.

- A. Greek
- B. Latin
- C. Spanish
- D. American

ANSWER: A

3. The word 'Logistikos' means skilled in

- A. Transportation
- B. Documentation
- C. Calculation
- D. Warehousing

ANSWER: C

4. The goal of logistics is

- A. a. to achieve a target level of customer service at lowest possible cost
- B. b. to achieve targeted level of customer service
- C. c. increase in the market share
- D. d. All of the above

ANSWER: D

5. In the product life cycle, the emphasis in marketing mix during introduction stage is

- A. Distribution
- B. Promotion
- C. Price
- D. Cost reduction

ANSWER: B

6. In the product life cycle, the emphasis in marketing mix during growth stage is
- A. Distribution
 - B. Promotion
 - C. Price
 - D. Cost reduction

ANSWER: B

7. In the product life cycle, the emphasis in marketing mix during maturity stage is
- A. Distribution
 - B. Promotion
 - C. Price
 - D. Cost reduction

ANSWER: C

8. In the product life cycle, the emphasis in marketing mix during decline stage is
- A. Distribution
 - B. Promotion
 - C. Price
 - D. Cost reduction

ANSWER: D

9. The concept of logistics has been systematically divided into
- A. 2 phases
 - B. 3 phases
 - C. 4 phases
 - D. 5 phases

ANSWER: A

10. Michael porter explained the concept of
- A. Motivation
 - B. Cost advantage
 - C. Competitive advantage
 - D. Quest for quality

ANSWER: C

11. EDI stands for
- A. Electronic Data Interface
 - B. Electronic Data Interchange
 - C. Electronic Distribution Intermediary
 - D. Electronic Documentation Interchange

ANSWER: B

12. Porter has divided total business activities of a firm into
- A. 2 sets
 - B. 3 sets
 - C. 4 sets
 - D. 5 sets

ANSWER: A

13. How many set of functions are involved in logistics management?

- A. 3
- B. 4
- C. 5
- D. 6

ANSWER: D

14. The objective of independent business function stage is

- A. Cost cost
- B. Maximisation of profit by sales volume
- C. Core competency
- D. Maximisation of profitable sales volume and cost reduction

ANSWER: B

15. The objective of limited integrated business function stage is

- A. Cost cost
- B. Maximisation of profit by sales volume
- C. Core competency
- D. Maximisation of profitable sales volume and cost reduction

ANSWER: A

16. The objective of internally integrated business function stage is

- A. Cost cut
- B. Maximisation of profit by sales volume
- C. Core competency
- D. Maximisation of profitable sales volume and cost reduction

ANSWER: D

17. The objective of externally integrated business function stage is

- A. Cost cost
- B. Maximisation of profit by sales volume
- C. Core competency
- D. Maximisation of profitable sales volume and cost reduction

ANSWER: C

18. Consumers willingness to pay reflects the _____ placed by them on a product.

- A. monetary value
- B. demand
- C. need
- D. desire

ANSWER: B

19. Packaging performs two functions. _____ and logistics.

- A. Distribution
- B. Store keeping
- C. Material handling

D. Marketing
ANSWER: D

20. Form utility is created by
- A. Operation function
 - B. Logistics function
 - C. Procurement function
 - D. Distribution function

ANSWER: A

21. Place utility is created by
- A. Operation function
 - B. Logistics function
 - C. Procurement function
 - D. Distribution function

ANSWER: B

22. Time utility is created by
- A. Operation function
 - B. Logistics function
 - C. Procurement function
 - D. Distribution function

ANSWER: D

23. MRP stands for
- A. Material requirement planning
 - B. Manpower recruitment process
 - C. Machine repair plan
 - D. Mechanical re-engineering process

ANSWER: A

24. MPS stands for
- A. Manpower placement structure
 - B. Master production schedule
 - C. Manpower placement schedule
 - D. Material processing schedule

ANSWER: B

25. Strategic logistics planning process
- A. determines the direction of business
 - B. creates the capacity
 - C. involves the functional planning
 - D. provides specification for manufacturing

ANSWER: C

26. Master planning in the planning hierarchy
- A. determines the direction of business
 - B. creates the capacity

- C. involves the functional planning
- D. provides specification for manufacturing

ANSWER: A

27. Master scheduling is the process that
- A. determines the direction of business
 - B. creates the capacity
 - C. involves the functional planning
 - D. provides specification for manufacturing

ANSWER: B

28. Customer order processing level is that
- A. determines the direction of business
 - B. creates the capacity
 - C. involves the functional planning
 - D. provides specification for manufacturing

ANSWER: D

29. Master planning deals with
- A. customer interface
 - B. marketing interface
 - C. supplier interface
 - D. manufacturing interface

ANSWER: C

30. The outcome of the independent business function era was
- A. aggressive preaching skill
 - B. Price based competition
 - C. customer value and harmonious relation
 - D. increased productivity, profitability and market share

ANSWER: A

31. The outcome of limited integrated business function was
- A. aggressive preaching skill
 - B. price based competition
 - C. customer value and harmonious relation
 - D. increased productivity, profitability and market share

ANSWER: B

32. The outcome of internally integrated business function was
- A. aggressive preaching skill
 - B. price based competition
 - C. customer value and harmonious relation
 - D. increased productivity, profitability and market share

ANSWER: C

33. The outcome of externally integrated business function was
- A. aggressive preaching skill

- B. Price based competition
- C. customer value and harmonious relation
- D. increased productivity, profitability and market share

ANSWER: D

34. The period of existence of independent business function was

- A. till 1950s
- B. 1960s to 1970s
- C. 1980s
- D. 1990s

ANSWER: A

35. The period of existence of LIBF was

- A. till 1950s
- B. 1960s to 70s
- C. 1980s
- D. 1990s

ANSWER: B

36. The period of existence of IIBF was

- A. till 1950s
- B. 1960s to 70s
- C. 1980s
- D. 1990s

ANSWER: C

37. The period of existence of EIBF was

- A. till 1950s
- B. 1960s to 70s
- C. 1980s
- D. 1990s

ANSWER: D

38. The strategic component of logistical mission

- A. reflect the vision of top management
- B. deal with basic services required for delivering of goods
- C. refers to the value-added services offered
- D. reflects the ability of firm to exploit market

ANSWER: A

39. The logistical component of logistics mission

- A. reflect the vision of top management
- B. deal with basic services required for delivering of goods
- C. refers to the value-added services offered
- D. reflects the ability of firm to exploit market

ANSWER: B

40. The non logistical component of logistics mission

- A. reflect the vision of top management
- B. deal with basic services required for delivering of goods
- C. refers to the value-added services offered
- D. reflects the ability of firm to exploit market

ANSWER: C

41. The service mission of logistics

- A. reflect the vision of top management
- B. deal with basic services required for delivering of goods
- C. refers to the value-added services offered
- D. reflects the ability of firm to exploit market

ANSWER: D

42. Firm infrastructure is _____ in the generic value chain of logistics

- A. a support activity
- B. a primary activity
- C. not an activity
- D. the only activity

ANSWER: A

43. Inbound and outbound logistics is _____ in the generic value chain of logistics.

- A. a support activity
- B. a primary activity
- C. not an activity
- D. the only activity

ANSWER: B

44. HRM is _____ in the generic value chain of logistics.

- A. a support activity
- B. a primary activity
- C. not an activity
- D. the only activity

ANSWER: C

45. Marketing and sales is _____ in the generic value chain of logistics.

- A. a support activity
- B. a primary activity
- C. not an activity
- D. the only activity

ANSWER: B

46. Competitive advantage can be created and achieved by logistics managers by

- A. cost advantage
- B. quality
- C. value advantage
- D. cost and value advantage

ANSWER: D

47. A well defined corporate vision

- A. reflects the capability of the management to think beyond the current way
- B. reflects the extent of use of logistical component for competitive advantage
- C. ensures effective implementation of logistics strategy
- D. deals with managing change

ANSWER: A

48. The logistics strategic analysis

- A. reflects the capability of the management to think beyond the current way
- B. reflects the extent of use of logistical component for competitive advantage
- C. ensures effective implementation of logistics strategy
- D. deals with managing change

ANSWER: B

49. Real time communication of information regarding requirements and availability of logistics service is the core of

- A. right response
- B. right quality
- C. right quantity
- D. right value

ANSWER: A

50. The maintenance of a minimum possible level of inventory required for a desired level of customer service is the objective of

- A. right response
- B. right quality
- C. right quantity
- D. right value

ANSWER: C

51. The logistical objective that ensures a proper balance between total logistics cost and a desired level of customer service performance is

- A. right response
- B. right quality
- C. right cost trade off
- D. right information

ANSWER: C

52. Just in time is a practice followed in

- A. Japan
- B. America
- C. Britain
- D. China

ANSWER: A

53. The original sailing vessel were replaced by steam boats in

- A. the early 1800s
- B. the late 1800s

- C. the early 1900s
- D. the late 1900s

ANSWER: A

54. The diesel power was introduced in the

- A. 1910s
- B. 1920s
- C. 1930s
- D. 1940s

ANSWER: B

55. The range of tankers is from

- A. 1000 to 2000 dwt
- B. 2000 to 5000 dwt
- C. 2000 to 50000 dwt
- D. 2000 to 500000 dwt

ANSWER: D

56. One third of the worlds merchant fleet in dead weight capacity terms is represented by

- A. oil tankers
- B. product tankers
- C. LNG tankers
- D. Acid tankers

ANSWER: A

57. VLCC are those vessels with dead weight

- A. less than 200000 dwt
- B. exceeding 200000 dwt
- C. above 300000 dwt
- D. above 500000 dwt

ANSWER: B

58. ULCC are those vessels with dead weight

- A. less than 200000 dwt
- B. exceeding 200000 dwt
- C. above 300000 dwt
- D. above 500000 dwt

ANSWER: C

59. OBO stands for

- A. over bulk order
- B. Oil/Bulk/Ore
- C. Ore/Bulk/Order
- D. On bulk order

ANSWER: B

60. Vessels designed to carry private cars are

- A. OBO

- B. RO/RO
 - C. SD 14
 - D. Train ferry
- ANSWER: B

61. One third of the world merchant fleet in dead weight capacity terms is represented by

- A. oil tankers
- B. product tankers
- C. LNG tankers
- D. Acid tankers

ANSWER: A

62. Vessel designed to carry traditional tramp bulk cargos are

- A. OBO
- B. RO/RO
- C. SD 14
- D. Train ferry

ANSWER: C

63. Vessels that carry railway passenger and freight rolling stock are

- A. OBO
- B. RO/RO
- C. SD 14
- D. Train ferry

ANSWER: B

64. Combination carrier is a unifixed cargo carrier combining container and

- A. OBO
- B. RO/RO
- C. SD 14
- D. Train ferry

ANSWER: B

65. The shipping route that lies between Western Europe, Eastern Canada and the United States is

- A. The North Atlantic route
- B. The Mediterranean -Red Sea -Indian Ocean route
- C. The Cape route
- D. The South Atlantic route

ANSWER: A

66. The sailing route that connects North Western Europe with the Eastern Europe, Southern and Eastern Asia, Australia and New Zealand is

- A. The North Atlantic route
- B. The Mediterranean-Red Sea-Indian Ocean route
- C. The Cape route
- D. The South Atlantic route

ANSWER: B

67. The route connecting Western Europe, Africa and Australia is

- A. The Cape route
- B. The South Atlantic route
- C. The Panama route
- D. The North Pacific route

ANSWER: A

68. The route lying between South Eastern South America and North Western Europe and Mediterranean is

- A. The Cape route
- B. the South Atlantic route
- C. The Panama route
- D. The North Pacific route

ANSWER: B

69. The route that plays a significant trade between Eastern North America and Western United States, Western Canada and Chile is

- A. The Cape route
- B. The South Atlantic route
- C. The Panama route
- D. The North Pacific route

ANSWER: C

70. The route that helps trade between Western North America and Eastern Asia and that between North America and Australia is

- A. The Cape route
- B. The South Atlantic route
- C. The Panama route
- D. The North Pacific route

ANSWER: B

71. The opening of Suez canal saved _____ nautical miles

- A. 4000
- B. 4500
- C. 5000
- D. 5500

ANSWER: B

72. The suez canal was opened in

- A. 1869
- B. 1914
- C. 1920
- D. 1934

ANSWER: A

73. The Panama canal was opened in

- A. 1869
- B. 1914

- C. 1920
 - D. 1934
- ANSWER: B

74. The first liner company was formed in

- A. 1825
- B. 1835
- C. 1837
- D. 1840

ANSWER: C

75. The Samuel Cunard liner company was formed in the year

- A. 1825
- B. 1835
- C. 1837
- D. 1840

ANSWER: D

76. The department in the shipping company that ensures the seaworthiness of the ship is

- A. husbandry department
- B. finance department
- C. technical department
- D. operating department

ANSWER: A

77. The department that looks into the revenue and expenditure is

- A. husbandry department
- B. finance department
- C. technical department
- D. operating department

ANSWER: B

78. The department that aims to maximize the economic employment of the ship is

- A. husbandry department
- B. finance department
- C. technical department
- D. operating department

ANSWER: D

79. Third country shipping lines shall have the right to acquire _____ in and volume of traffic generated by that trade.

- A. 5%
- B. 10%
- C. 15%
- D. 20%

ANSWER: D

80. The UN convention on Liner code emphasis the right of any country to develop its own

merchant shipping fleet to carry _____ of its own foreign trade

- A. 10%
- B. 20%
- C. 30%
- D. 40%

ANSWER: D

81. The stability of liner freight rates extends for a period of not less than

- A. 6 months
- B. 12 months
- C. 15 months
- D. 18 months

ANSWER: C

82. General notice of any increase in rate of freight should not be less than

- A. 60 days
- B. 120 days
- C. 150 days
- D. 180 days

ANSWER: C

83. Review conference to review the working of the convention is to be conducted once in

- A. 2 years
- B. 3 years
- C. 4 years
- D. 5 years

ANSWER: D

84. The document that is used to differentiate liner operations from tramp operations is

- A. bill of entry
- B. charter party
- C. letter of credit
- D. shipping bill

ANSWER: B

85. The document that is used in imports and not in exports is

- A. bill of entry
- B. charter party
- C. letter of credit
- D. shipping bill

ANSWER: A

86. ITIC stands for

- A. Indian trade intermediaries co-operation
- B. Indian trade intermediaries corporation
- C. Indian trade intermediaries club
- D. Indian transport intermediaries club

ANSWER: D

87. If the sub agency is without principal authority, _____ remains liable for breach of contract.

- A. agent
- B. sub agent
- C. principal
- D. consignee

ANSWER: A

88. If the agent has made contracts or disbursed money for an undisclosed principal _____ becomes personally liable.

- A. agent
- B. sub agent
- C. principal
- D. consignee

ANSWER: A

89. Indian companies including ship agents can operate as MTS on obtaining liscense from

- A. The ministry of commerce
- B. The chamber of commerce
- C. The DGFT
- D. The DG of shipping

ANSWER: D

90. The document that is used for the MTO is

- A. Bill of lading
- B. CTO
- C. ARE
- D. GR

ANSWER: B

91. The freight brokers duty whereby he acts for the cargo merchant seeking a suitable vessel in which to carry the merchandise is

- A. chartering duty
- B. sale and purchase
- C. owner broker
- D. cabling broker

ANSWER: A

92. The freight broker's duty of acting for the actual ship owner in finding cargo for the vessel is

- A. chartering duty
- B. sale and purchase
- C. owner broker
- D. cabling broker

ANSWER: C

93. The freight broker's duty of communicating with other international markets is

- A. chartering duty

- B. sale and purchase
- C. owner broker
- D. cabling broker

ANSWER: D

94. The shipping intermediary who is called M 5.5% is

- A. shipping agent
- B. freight broker
- C. freight intermediary
- D. clearing house broker

ANSWER: C

95. The intermediary who commonly works for imports is

- A. shipping agent
- B. freight broker
- C. clearing house broker
- D. freight intermediary

ANSWER: C

96. If shipment is not effected within the permitted free days, the goods incur

- A. rebate
- B. demurrage
- C. dead freight
- D. back freight

ANSWER: B

97. The permitted free days for the goods to be kept in port for shipment is

- A. 5 days
- B. 7 days
- C. 10 days
- D. 15 days

ANSWER: B

98. Stevedores are appointed by

- A. the shipper
- B. the consignee
- C. the shipping company
- D. the shipping agent

ANSWER: C

99. The leading Mazdoor is assisted by

- A. tindal
- B. winch driver
- C. signal man
- D. mazdoor

ANSWER: A

100. The labourers are paid on the basis of

- A. monthly wages
- B. daily wages
- C. commission
- D. work shifts

ANSWER: D

101. The minimum cargo that must be handled by a gang of labourers is decided by

- A. dock labour gang
- B. dock labour board
- C. the leading mazdoor
- D. the tally clerk

ANSWER: B

102. A vessel is said to be breaking bulk when it

- A. is damaged
- B. discharges the cargo
- C. gets loaded
- D. has no cargo on board

ANSWER: D

103. A vessel sailed light is when she

- A. is damaged
- B. discharges the cargo
- C. gets loaded
- D. has no cargo on board

ANSWER: D

104. To 'stem' a vessel is a term peculiar to the _____ trade.

- A. iron ore
- B. coal
- C. liquid
- D. garment

ANSWER: B

105. The term which covers the operation of shifting the cargo to or from the vessel is

- A. rigging
- B. slinging
- C. carnage
- D. forced discharge

ANSWER: B

106. The term used for loading or unloading of heavy cargo is

- A. rigging
- B. slinging
- C. carnage
- D. forced discharge

ANSWER: C

107. How many major ports are there in India?

- A. 10
- B. 11
- C. 12
- D. 13

ANSWER: D

108. How many minor ports are there in India?

- A. 150
- B. 130
- C. 189
- D. 185

ANSWER: D

109. The major ports are under the direct responsibility of

- A. The ministry of commerce
- B. The ministry of shipping
- C. The central government
- D. The state government

ANSWER: C

110. The minor ports are under the direct responsibility of

- A. The ministry of commerce
- B. The ministry of shipping
- C. The central government
- D. The state government

ANSWER: D

111. All the major ports are administered under the provisions of the major port and trust Act

- A. 1950
- B. 1956
- C. 1963
- D. 1965

ANSWER: C

112. The tidal port is

- A. Kandla
- B. Cochin
- C. New Mangalore
- D. Tuticorin

ANSWER: A

113. The facilities for export of Kudremukh iron ore were specially developed at

- A. Kandla
- B. Cochin
- C. New Mangalore
- D. Tuticorin

ANSWER: C

114. The port that is considered as a natural harbour is

- A. Kandla
- B. Cochin
- C. New Mangalore
- D. Tuticorin

ANSWER: B

115. The port that handles mainly coal traffic is

- A. Kandla
- B. Cochin
- C. New Mangalore
- D. Tuticorin

ANSWER: D

116. The Vizag port came in the year

- A. 1936
- B. 1933
- C. 1959
- D. 1963

ANSWER: B

117. The Cochin port started its operation in

- A. 1936
- B. 1933
- C. 1959
- D. 1963

ANSWER: A

118. The Kandla port was commissioned in

- A. 1936
- B. 1933
- C. 1959
- D. 1963

ANSWER: C

119. The port which was formerly called Nhava Sheva is

- A. New Mangalore
- B. Marmugao
- C. JNPT
- D. Vizhag

ANSWER: C

120. The head quarter of shipping corporation of India is located at

- A. Chennai
- B. Mumbai
- C. Delhi
- D. Kolkata

ANSWER: B

121. FIB stands for

- A. Freight In Board
- B. Freight Index Bureau
- C. Freight Investigation Bureau
- D. Freight In Bound

ANSWER: C

122. FIB was set up in

- A. 1950
- B. 1956
- C. 1959
- D. 1961

ANSWER: C

123. The container vessels were formerly called

- A. Vessels
- B. Trucks
- C. Vanships
- D. Ships

ANSWER: C

124. The concept of containerization was established first in the

- A. North Atlantic Coast Track
- B. South Atlantic Coast Track
- C. East Atlantic Coast Trackk
- D. West Atlantic Coast Track

ANSWER: A

125. GRP is a classification of container by

- A. Raw material
- B. Size
- C. Use
- D. Cargo

ANSWER: A

126. TEU is a classification of container by

- A. Raw material
- B. Size
- C. Use
- D. Cargo

ANSWER: B

127. Insulated container is an example of

- A. Container by raw material
- B. Container by size
- C. General cargo container

D. Thermal container

ANSWER: D

128. The container that has its base only is

- A. Bulk container
- B. Flat container
- C. Garment container
- D. Special container

ANSWER: B

129. OTL stands for

- A. Over time lock
- B. One time lock
- C. One time lease
- D. On time landed

ANSWER: B

130. The location of ICD and CFS is regulated by

- A. The ministry of commerce.
- B. The ministry of shipping.
- C. The central government.
- D. The state government.

ANSWER: A

131. How many types of Shipping Bill are in use?

- A. 2
- B. 3
- C. 4
- D. 5

ANSWER: C

132. The autonomous public sector undertaking under the Ministry of Railway is

- A. ICD
- B. CFS
- C. CONCOR
- D. CWC

ANSWER: C

133. The special document prepared for the inter modal operations is

- A. Shipping Bill
- B. Bill of Lading
- C. Bill of Entry
- D. CTD

ANSWER: D

134. The term used for carriage of goods when points of origin and destination are both within the sovereignty of UK is

- A. ULD

- B. Classification rate
- C. Valuation charge
- D. Cabotage

ANSWER: D

135. The rates applicable to any container with an integral pallet or aircraft pallet is

- A. ULD
- B. Classification rate
- C. Valuation charge
- D. Cabotage

ANSWER: A

136. The place in a harbour with gates through which water may be let in and out is

- A. Berth
- B. Dock
- C. Board
- D. Wharf

ANSWER: B

137. A specific place for a ship in harbour is called

- A. Berth
- B. Dock
- C. Board
- D. Wharf

ANSWER: A

138. A wooden or stone structure at which vessels are moored for (un)loading is

- A. Berth
- B. Dock
- C. Board
- D. Wharf

ANSWER: D

139. The charge that is levied by railways when a consignment received at destination is not taken delivery of within the admissible free time is

- A. Demurrage
- B. Wharfage
- C. Freight
- D. Rebate

ANSWER: B

140. The term used to show that the freight rate charged is not based on the individual commodity is

- A. Freight all kinds
- B. Commodity box rate
- C. Classification rate
- D. ULD rate

ANSWER: A

141. The maximum period for which packing credit advances are made is

- A. 135 days
- B. 90 days
- C. 180 days
- D. 360 days

ANSWER: C

142. Generally, on exports the proceeds are to be realized within

- A. 6 months from date of shipment
- B. 1 year from date of shipment
- C. 6 months from the date of negotiation of documents
- D. 1 year from the date of negotiation of documents

ANSWER: A

143. If the importer refuses to accept the bill drawn on him, the exporter

- A. Should reimport the goods
- B. Must find an alternate buyer
- C. May re-import or sell to alternate buyer depending upon commercial expediency
- D. Sue the importer

ANSWER: C

144. If export cargo is lost in transit, the exporter should

- A. Claim under marine insurance
- B. Claim with ECGC
- C. Seek write off of post-shipment credit
- D. Seek refund of customs duty

ANSWER: A

145. The following is a must for an exporter

- A. IEC number
- B. Exporter code number allotted by RBI
- C. A minimum local turnover of Rs. 50 lakhs
- D. An export license

ANSWER: A

146. SDF stands for

- A. Statutory dividend fund
- B. Statutory declaration form
- C. Standing dividend fund
- D. Standing declaration form

ANSWER: B

147. SDF is the electronic form of

- A. ARE
- B. GR
- C. Bill of Lading
- D. Letter of credit

ANSWER: B

148. The cargo manifested but not loaded is referred to as

- A. Short landed
- B. Short shipped
- C. Short of exchange
- D. Short load

ANSWER: B

149. Conference system is an association of _____ shipowners.

- A. Liner
- B. Tramp
- C. Tankers
- D. Container

ANSWER: A

150. The first shipping company was established in

- A. 1850
- B. 1865
- C. 1875
- D. 1885

ANSWER: C

151. Some countries do not allow closed conferences as it violates laws on

- A. Monopoly
- B. Duopoly
- C. Perfect competition
- D. Oligopoly

ANSWER: A

152. Conferences are _____ association of shipping lines

- A. Monopoly
- B. Monopolistic
- C. Semi-monopolistic
- D. Perfectly competitive

ANSWER: A

153. The merchant shipping (Liner conference) Act came into effect in

- A. 1982
- B. 1985
- C. 1987
- D. 1989

ANSWER: B

154. A shipper who ships exclusively by conference vessel can claim a rebate of _____ of the freight.

- A. 5%
- B. 7%

C. 10%

D. 12%

ANSWER: C

155. The immediate rebate system grants _____ of rebate.

A. 1%

B. 1.5%

C. 2%

D. 2.5%

ANSWER: B

156. Charter party is a _____ word 'Charta Partitia' meaning divided document.

A. Latin

B. Greek

C. Spanish

D. Chinese

ANSWER: A

157. The earliest written charter party is found in _____ museum.

A. American

B. British

C. Chinese

D. German

ANSWER: B

158. The earliest written Charter party is dated

A. A.D 200

B. A.D 216

C. A.D 226

D. A.D 236

ANSWER: D

159. The ship being chartered as a functioning operating unit for a specific period is

A. Time charter

B. Voyage charter

C. Tanker charter

D. Demise charter

ANSWER: A

160. The ship being chartered for a specific voyage between places is

A. Time charter

B. Voyage charter

C. Demise charter

D. Tanker charter

ANSWER: B

161. The chartering where the ship is chartered just as a hull is

A. Time charter

- B. Voyage charter
- C. Demise charter
- D. Tanker charter

ANSWER: C

162. The international tanker nominal freight scale Association Ltd is located in

- A. London
- B. New york
- C. Australia
- D. Germany

ANSWER: A

163. The New York based American Tanker rate scale was set up in

- A. 1962
- B. 1956
- C. 1969
- D. 1971

ANSWER: B

164. The world scale tanker chartering rates were established in

- A. 1962
- B. 1956
- C. 1969
- D. 1971

ANSWER: C

165. On receipt of the nomination of arbitrator in writing, the second partys arbitrator should be appointed within

- A. 10 days
- B. 12 days
- C. 14 days
- D. 15 days

ANSWER: C

166. BFI stands for

- A. Buffer Freight Index
- B. Baltic Freight Index
- C. Better Freight Index
- D. Bombay Freight Index

ANSWER: B

167. The freight charges that include the cost of depreciation and registration is

- A. Fixed cost
- B. Semi-fixed cost
- C. Variable cost
- D. Semi-variable cost

ANSWER: A

168. The freight charges covering the salary of the crew and maintenance expenses is

- A. Fixed cost
- B. Semi-fixed cost
- C. Variable cost
- D. Semi-variable cost

ANSWER: B

169. The cost of fuel, lubricating oil and accessories included in freight charges is

- A. Fixed cost
- B. Semi-fixed cost
- C. Variable cost
- D. Semi-variable cost

ANSWER: C

170. Contract of affreightment is the term used for the carriage of goods by

- A. Air
- B. Sea
- C. Road
- D. Rail

ANSWER: B

171. The freight amount that is paid before the delivery of goods is

- A. Lumpsum
- B. Dead
- C. Advance
- D. Back

ANSWER: C

172. The freight that is paid for the use of whole or portion of a ship calculated on actual cubic capacity is

- A. Lumpsum
- B. Dead
- C. Advance
- D. Back

ANSWER: A

173. The ship owner is entitled to claim _____ freight for unoccupied space.

- A. Lumpsum
- B. Dead
- C. Advance
- D. Back

ANSWER: B

174. The freight that arises when the cargo has been carried only part of the way and circumstances make it impossible to continue further voyage is

- A. Lumpsum
- B. Dead
- C. Advance

D. Back
ANSWER: B

175. The freight that is charged when cargo is assessed on a percentage of its value is
A. Lumpsum
B. Dead
C. Advance
D. Back

ANSWER: C

176. The Act that was passed in 1963 is
A. The Arbitration Act
B. The Federal Arbitration Act
C. The Customs Act
D. The Marine Insurance Act

ANSWER: D

177. The freight for the goods that compress on voyage and expand on expand on unloading is charged on
A. Value
B. Compressed nature
C. Expanded nature
D. Weight

ANSWER: B

178. If the lien for freight is not discharged within _____ days, the wharfinger may sell the goods by public auction.
A. 30 days
B. 45 days
C. 90 days
D. 120 days

ANSWER: C

179. The delivery of a damaged product has
A. An increase in its value
B. A decrease in its value
C. No change in its value
D. Better demand

ANSWER: B

180. The flow of work in process is
A. From a supplier to producer
B. From the last production price to ultimate user
C. Between the various production sub-system
D. Between the various distribution channels.

ANSWER: C

181. The flow of information that facilitates co-ordination activities is

- A. Forward information flow
- B. Backward information flow
- C. Upward information flow
- D. Downward information flow

ANSWER: B

182. the flow of information that facilitates operational activities is

- A. Forward information flow
- B. Backward information flow
- C. Upward information flow
- D. Downward information flow

ANSWER: A

183. Unreliability of vendors leads to

- A. Production uncertainty
- B. Process uncertainty
- C. Demand uncertainty
- D. Supply uncertainty

ANSWER: D

184. The internal process leads to

- A. Production uncertainty
- B. Process uncertainty
- C. Demand uncertainty
- D. Supply uncertainty

ANSWER: B

185. The uncertainty that could be reduced through forecasting techniques is

- A. Production uncertainty
- B. Process uncertainty
- C. Demand uncertainty
- D. Supply uncertainty

ANSWER: C

186. The number of stages that the goods and services flow through

- A. Add to the complexity of SCM
- B. Relaxes the complexity of SCM
- C. Brings no change in complexity of SCM
- D. Ensures better quality

ANSWER: A

187. The business activity of farming out identified non-core activities to external agencies is

- A. Logistics
- B. SCM
- C. Outsourcing
- D. Distribution

ANSWER: C

188. The kind of warehouse that is licensed and authorized by the customs for storing goods till import duty is

- A. Field warehouse
- B. Buffer storage warehouse
- C. Bonded warehouse
- D. Export and import warehouse

ANSWER: C

189. The warehouses managed by a public warehousing agency in the premises of a factory is

- A. Field warehouse
- B. Buffer storage warehouse
- C. Bonded warehouse
- D. Export and import warehouse

ANSWER: A

190. The warehouses located near the port is

- A. Field warehouse
- B. Buffer storage warehouse
- C. Bonded warehouse
- D. Export and import warehouse

ANSWER: D

191. The warehousing function that combines the logistical flow of several small shipments to a specific market area is

- A. Break bulk function
- B. Operational function
- C. Stockpiling function
- D. Consolidation function

ANSWER: D

192. The transportation model coordinated between railways and roadways is

- A. Transship
- B. Airtruck
- C. Piggyback
- D. Fishyback

ANSWER: C

193. The transportation model coordinated between waterways and roadways is

- A. Transship
- B. Airtruck
- C. Piggyback
- D. Fishyback

ANSWER: D

194. The transportation system which is a combination of coordination efforts of railways and waterways is

- A. Transship
- B. Airtruck

- C. Piggyback
- D. Fishyback

ANSWER: A

195. The transportation system that is an outcome of combination of air and roadways is

- A. Transship
- B. Airtruck
- C. Piggyback
- D. Fishyback

ANSWER: B

196. Booking of shipping space in advance is helpful to an exporter in

- A. Saving in freight charges
- B. Availing bank finance
- C. Getting priority on inland movement of cargo by all
- D. None of the above

ANSWER: C

197. Under advance remittance as a method of payment the credit risk is borne by

- A. The importer
- B. The exporter
- C. Importers bank
- D. None

ANSWER: A

198. Cash on delivery method is normally used for

- A. Bulk cargo with immediate market
- B. Slow moving items
- C. Small but valuable items sent by post
- D. Exports to countries with balance of payments problems

ANSWER: C

199. Documents against payment term indicates

- A. The documents are sent by post
- B. The export is risky
- C. The collecting bank will hand the documents to the buyer against payment
- D. The exporter delivers the documents to the bank against advance

ANSWER: C

200. The best form of method of payment for an importer would be

- A. Advance remittance
- B. Letter of credit
- C. Documents against payment
- D. Open account

ANSWER: D

201. When goods are sent to an agent of an exporter in the importing country, the method of payment adopted is

- A. Open account
- B. Letter of credit
- C. Consignment sale
- D. Document against acceptance

ANSWER: C

202. The method of payment where the exporter relies on the undertaking of a bank to pay is

- A. Bank guarantee
- B. Letter of credit
- C. Letter of comfort
- D. None of the above

ANSWER: D

203. The beneficiary under a letter of credit is

- A. The bank opening the credit
- B. The customer of the opening bank
- C. The confirming bank
- D. The exporter

ANSWER: D

204. A letter of credit is opened on behalf of

- A. Exporter customers
- B. Importer customers
- C. Any party wishing to make payment abroad
- D. None of the above

ANSWER: B

205. When a letter of credit does not indicate whether it is revocable or irrevocable, it is treated as

- A. Revocable
- B. Irrevocable
- C. Revocable or irrevocable in the option of the beneficiary
- D. Revocable or irrevocable in the option of the negotiating bank

ANSWER: B

206. Under an acceptance letter of credit, the responsibility of the issuing bank is

- A. Only to accept the bill
- B. To pay against the bill
- C. To accept the bill immediately and also to pay the amount of the bill on its due date
- D. To get the acceptance of the importer on the bill

ANSWER: C

207. A confirmed letter of credit is one

- A. Confirmed to be authentic
- B. Confirmed by the importer to be correct
- C. Confirmed by the exporter that he agrees to the conditions
- D. Confirmed by a bank

ANSWER: D

208. A transferable credit can be transferred

- A. Once
- B. Twice
- C. Thrice
- D. Any number of times

ANSWER: A

209. A transferable credit can be transferred to a third person in

- A. The same country
- B. A third country
- C. The same country or any third country
- D. None of the above

ANSWER: C

210. A back to back letter of credit

- A. Is always an inland letter of credit
- B. Is a new letter of credit issued on the strength of the letter of credit which is not transferable
- C. Can be issued only when the original letter of credit is transferable
- D. Can also be transferred

ANSWER: B

211. The following transport document is not a document of title to goods

- A. Bill of lading
- B. Multimodal transport document
- C. Airway bill
- D. None of the above

ANSWER: A

212. A bill of lading is

- A. A non-negotiable instrument
- B. A quasi-negotiable instrument
- C. Fully negotiable instrument
- D. Partly negotiable instrument

ANSWER: B

213. A mates receipt is

- A. A draft bill of lading
- B. A substitute bill of lading
- C. Bill of lading evidencing goods carried on deck
- D. None of the above

ANSWER: B

214. A straight bill of lading is one

- A. Covering both land and water transport
- B. The goods covered by which are deliverable to the consignee
- C. Which is sent directly to consignee
- D. None of the above

ANSWER: B

215. Freight to pay bill of lading is acceptable if

- A. The contract term is CIF
- B. The contract term is CFR
- C. The contract term is FOB
- D. Goods are carried by a foreign vessel

ANSWER: C

216. The following transport document is acceptable under a letter of credit

- A. House airway bill
- B. House bill of lading
- C. Warehouse receipt
- D. Tramp bill of lading

ANSWER: A

217. According to the Multimodal Transportation of Goods Act, a multimodal transport document cannot be

- A. A bearer instrument
- B. An order instrument
- C. A non-negotiable instrument
- D. None of the above

ANSWER: D

218. Airway bill is prepared in

- A. three originals
- B. quadruplicate
- C. As many copies as required
- D. One original only

ANSWER: A

219. Incoterms cover

- A. Trade in intangibles
- B. Ownership and transfer rights
- C. Contracts of carriage
- D. d. Rights and obligations of parties to contract of sales

ANSWER: D

220. The following incoterm cannot be used for contracts providing for transportation of goods by sea

- A. CFR
- B. DDP
- C. DES
- D. DEQ

ANSWER: B

221. The incoterm providing or least responsibility to seller is

- A. EXW
- B. DDP

- C. FOB
 - D. CIF
- ANSWER: A

222. The group of incoterms under which the sellers responsibility is to obtain freight paid transport document for the main carriage is

- A. E terms
 - B. C terms
 - C. D term
 - D. F terms
- ANSWER: B

223. The incoterm should indicate the place of shipment in case of

- A. F terms
 - B. E terms
 - C. C terms
 - D. D terms
- ANSWER: B

224. Incoterm is specific about the responsibility for marine insurance in case of

- A. FOB and EXW
 - B. FOB and CIF
 - C. CIF and CIP
 - D. CPT and DDP
- ANSWER: C

225. The group of terms arranged in order of increasing responsibility of exporter is

- A. C,D,E and E terms
 - B. D,E,F and C terms
 - C. E,F,C and D terms
 - D. F,C,E and D terms
- ANSWER: C

226. The price quoted by the seller for the product

- A. Will vary depending upon the incoterm chosen
 - B. Is irrespective of the incoterm
 - C. Will be the base price
 - D. None of the above
- ANSWER: A

227. Adoption of incoterm is

- A. Compulsory for all international contracts
 - B. Compulsory for all letter of credit transactions
 - C. Optional for the parties to the contract
 - D. Mandatory for transactions with Europe
- ANSWER: C

228. Strategic stretch involves:

- A. The fit between the organisation and its environment.
- B. Creating new opportunities by stretching and exploiting capabilities in new ways.
- C. The skills of the senior management.
- D. Utilising all the resources of an organisation to their full capacity.

ANSWER: A

229. What are core competences?

- A. Resources which critically underpin competitive advantage and that others cannot obtain.
- B. Activities and processes needed to meet customers' minimum requirements and therefore to continue to exist.
- C. Key skills required for success in a particular business.
- D. Activities that underpin competitive advantage and are difficult for competitors to imitate or obtain.

ANSWER: A

230. The value chain attempts to identify those activities which add value to:

- A. The organisation's stakeholders.
- B. The senior strategic managers in the organisation.
- C. The organisation's shareholders.
- D. The customer or final user.

ANSWER: D

231. The value chain is composed of primary & support activities. Which answer below provides the correct components for primary activities?

- A. Service, human resource management, marketing & sales, operations and outbound logistics.
- B. Marketing & Sales, Operations, Outbound Logistics and Service.
- C. Procurement, Firm Infrastructure, Human Resource Management, Technology Development and Marketing & Sales.
- D. Inbound Logistics, Operations, Outbound Logistics, Marketing & Sales and Service.

ANSWER: D

232. Competitive advantage through linkages between the organisation and its value network can be achieved by:

- A. Vertical integration.
- B. Adopting common quality standards internally and externally (with suppliers).
- C. Examining supplier specifications, common merchandising, applying quality
- D. Outsourcing customer service to India.

ANSWER: B

233. Cost efficiency is determined by which of the following drivers?

- A. Supply Costs, Experience, Product/Process Design and Economies of Scale.
- B. Supply Costs & Economies of Scale.
- C. Product/Process Design and Economies of Scale.
- D. Experience

ANSWER: B

234. Which types of organizational knowledge are a source of competitive advantage?

- A. Explicit knowledge which is classified and formalized in a planned and systematic way.

- B. Personal knowledge which is hard to communicate and formalize.
- C. Customer databases, market research reports, management reports.
- D. d. Collective and shared experience accumulated through systems, routines and activities of sharing across the organization.

ANSWER: C

235. The purpose of a SWOT analysis is to analyze:

- A. The business environment in which an organization operates.
- B. The strategic capability of an organization.
- C. The business environment and the strategic capability of an organization relative
- D. External and organizational environments.

ANSWER: C

236. Which of the following is not a typical supply chain member?

- A. customer
- B. producer
- C. wholesaler
- D. reseller

ANSWER: D

237. When suppliers, distributors, and customers partner with each other to improve the performance of the entire system, they are participating in a _____.

- A. supply chain
- B. channel of distribution
- C. demand chain
- D. value delivery network

ANSWER: D

238. A company's channel decisions directly affect every _____.

- A. channel member
- B. marketing decision
- C. customer's choices
- D. competitor's actions

ANSWER: A

239. the economic system's point of view, the role of marketing intermediaries is to transform the assortment of products made by producers into the assortment of

- A. distributors
- B. manufacturers
- C. marketers
- D. consumers

ANSWER: D

240. In marketing terms, we say that the number of intermediary levels indicates the _____ of a channel.

- A. involvement
- B. width
- C. complexity

D. length
ANSWER: C

241. An advantage of a channel of distribution over selling direct to consumers is that each channel member plays a _____ in the channel.

- A. time-saving part
- B. disciplinary role
- C. informational role
- D. specialized role

ANSWER: D

242. Historically, conventional channels have lacked the leadership to _____.

- A. assign member roles and manage conflict
- B. set standard pricing and packaging
- C. set standard pricing and promotions
- D. attain efficiency and assign member roles

ANSWER: D

243. A channel consisting of one or more independent producers, wholesalers or retailers that are seeking to maximize their own profits even at the expense of profits for the channel as a whole is a _____.

- A. conventional distribution channel
- B. vertical marketing system
- C. independent channel allocation
- D. administered vertical marketing system

ANSWER: D

244. A corporate VMS has the advantage of controlling the entire distribution chain under _____.

- A. single ownership
- B. a few intermediaries
- C. little control
- D. a profit-maximizing strategic plan

ANSWER: B

245. A distinguishing feature of a contractual VMS is that coordination and conflict management among the independent members of the channel are attained through -----

- A. limited liability corporations
- B. natural competitive forces
- C. oral agreements
- D. working partnerships

ANSWER: D

246. is / are the basic tools for determining competitor costs.

- A. A value chain
- B. Cost drivers
- C. Cost cutters
- D. A value analysis

ANSWER: A

247. can a firm optimize its environmental opportunities?

- A. By assessing its market share
- B. By assessing the competitiveness in the industry
- C. By assessing the effectiveness of its sales distribution
- D. By assessing its competitors position in the market

ANSWER: D

248. Which objective gives importance to productivity, technological leadership, employee relations, etc?

- A. Long-term objective
- B. Short-term objective
- C. Medium term objective
- D. Annual objective

ANSWER: A

249. What type of conflict usually exist when the manufacturer has established tow or more channels that sell in the same market

- A. Multi-channel conflict
- B. Horizontal channel conflict
- C. Vertical channel conflict
- D. None of the above

ANSWER: A

250. What are the factors that contribute to the corporate identity?

- A. Organizational symbols
- B. Advertising and publicity
- C. Customer relation programs
- D. All of the above

ANSWER: D

Staff Name
Parimala K .