higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE (VOCATIONAL)

FREIGHT LOGISTICS
NQF LEVEL 4

10 November 2022

This marking guideline consists of 8 pages.

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SECTION A

QUESTION 1

1.1 True
1.2 True
1.3 False
1.4 False
1.5 True
1.6 False
1.7 True
1.8 True
1.9 True
1.10 False

(10 × 1) **[10]**

QUESTION 2

2.1 F
2.2 H
2.3 J
2.4 B
2.5 I
2.6 A
2.7 C
2.8 E
2.9 G
2.10 D

(10 × 1) **[10]**

TOTAL SECTION A: 20

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SECTION B

QUESTION 3

3.1 3.1.1
- Further the process of transformation and restructuring the national land transport system.
- Give effect to national policy.
- Prescribe national principles, requirements, guidelines, frameworks and national norms and standards that must be applied uniformly in the provinces.
- Consolidate land transport functions and locate them in the appropriate sphere of government. (Any 2 × 2) (4)

3.1.2
- Provide for provision of advice, regulation, facilitation and law enforcement.
- Provide for the establishment of the Cross-Border Road Transport Agency.
- Repeal certain laws.
- Provide for matters connected therewith.
- Regulate the granting of permits. (Any 2 × 2) (4)

3.1.3
- Extend the definition of offshore installations to include pipelines.
- Provide for the establishment of safety zones around offshore installations.
- Create offences in respect of such installations.
- Prescribe penalties for such offences.
- Regulate marine traffic in South Africa. (Any 2 × 2) (4)

3.2
- General and special contract conditions
- Using standard bidding documents
- Type of contract
- Language and clarity of documents
- Inspections, tests and analyses
- Tax clearance
- Registration of supplier
- Use of brand names
- Pricing
- Preparation time
- Bid submission
- Price adjustments due to escalation
- Price adjustments due to the fluctuation in the exchange rate
- Validity of bids
- Sureties (Any 4 × 2) (8)

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3.3
- The tender must be delivered at the address provided in the RFP.
- The closing time is strictly at 11:00.
- A tender will be considered late for submission if it has been deposited in the tender box indicated in the RFP documents after the stipulated closing time.
- If a tender is mailed to the address provided in the RFP, it must reach its destination in time for an official to deposit it in the tender box.

(Any 2 × 2) (4)

3.4 Firm prices: Are not subject to any adjustments
Non-firm prices: Are subject to adjustments (2 × 2) (4)

3.5
- Value-added tax
- Overhead costs
- Breakdown of the price (Any 2 × 1) (2)

[30]

QUESTION 4

4.1
- It ensures improved system access to currently marginalised service providers and cargo owners.
- It creates space for the private sector to play a role in all aspects of the freight system.
- It develops a more efficient freight system.
- It puts downward pressure on freight transport costs.
- It reduces transit and handling times.
- It encourages private sector competition in the freight system. (Any 2 × 2) (4)

4.2
- The poor condition of the secondary road network
- The prevalence and spread of HIV/AIDS that causes human resource constraints
- Long working hours of driver
- High accident rate and fatalities as a result of driver fatigue (Any 3 × 2) (6)

4.3
- O.R. Tambo International Airport
- Cape Town International Airport
- King Shaka International Airport (Any 2 × 1) (2)

4.4
- There are shorter reaction times and improved service delivery which in turn lead to improved customer satisfaction and higher sales in future.
- It improves planning and scheduling of resources that lead to cost savings, price reductions and increased customer satisfaction.
- The elimination of mistakes results in huge cost savings. If mistakes are reduced, the costs of fixing them are reduced too.
- Customer feedback can be incorporated sooner into logistical strategies.

(Any 2 × 2) (4)

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4.5 4.5.1 Storage costs refer to all costs associated with the storage of goods.

4.5.2 Transportation costs refer to the expenses involved in moving products or assets to a different place.

(2 × 2) (4)

4.6 4.6.1 Examples of storage costs:

- Rent
- Electricity
- Depreciation
- Telephone
- Insurance
- Security
- Salaries
- Fuel
- Maintenance

(Any 2 × 1) (2)

4.6.2 Examples of transportation costs:

- Vehicle depreciation
- Vehicle tracking and security
- Licences
- Insurance
- Driver costs
- Toll charges
- Maintenance
- Fuel and oil

(Any 2 × 1) (2)

4.7 4.7.1 Distributers act as intermediary between the suppliers and the wholesalers.

4.7.2 Wholesalers buy from the manufacturers or distributers and sell the goods to the retailers.

(2 × 2) (4)

4.8 4.8.1 Components are delivered from the supplier just before they are needed for manufacturing.

4.8.2 This approach inspects all activities and processes used to manufacture end products to identify and eliminate poor quality and wastage.

4.8.3 This approach identifies and aims to eliminate any activities in the manufacturing and delivery process that do not add value to a product or service.

(3 × 2) (6)

[34]

QUESTION 5

5.1 INCOME STATEMENT OF KGS TRANSPORT FOR THE YEAR ENDED 30 JUNE 2021

Sales		2 000 000✓
Cost of sales		(600 000)✓
Gross profit		1 400 000✓✓
Less expenses		(680 000) ✓
Fuel	200 000✓	
Maintenance	90 000✓	
Salaries	300 000✓	
Rent	80 000✓	
Stationery	10 000✓	
Net profit		720 000✓

(11)

5.2 It can increase sales volume:

- Improve advertising and marketing.
- Sell in areas that were not covered previously.
- Increase customer satisfaction by improving product quality.
- Decrease the price to a level that is lower than the competitors' prices.
- Offer lucrative sales terms.

It can increase the price:

- This can only be done in cases where there is scarcity of a product.
- If the product quality is superior to its competitors' product quality, users may be prepared to pay a higher price.
- Include after-sales service cost into the price such as maintenance plans that will ensure a long service life of the product.

It can increase costs by reducing:

- Acquisition or production cost per unit
- Inventory holding cost per unit
- Transportation and material handling cost
- Order processing cost
- Management and overhead cost
- Supply chain cost (Any 2 × 2) (4)

5.3

- Political or legal issues
- Socioeconomical or sociocultural issues
- Economic issues
- Technological issues
- Environmental and global-warming issues (Any 4 × 1) (4)

5.4
- Order processing
  Orders are being processed
- Materials handling
  Pre-receiving and receiving of goods are done
- Inventory control and auditing
  Checking and counting of stock are done
- Demand forecasting
  Future predictions are done regarding trends of what will be demanded by customers.
- Procurement
  Buying of stock and raw materials take place.
- Salvage and scrap disposal
  Damage but salvagable stock can be repackaged.
- Reverse logistics
  The return of issued stock into the warehouse.
- Communication and customer service

(1 mark for naming, 1 mark for explanation) (Any 4 × 2) (8)

5.5
- Reduces transportation cost
- Structures the optimal distribution network for specific products
- Decreases lead time
- Improves customer service levels
- Improves product availability
- Reduces safety and security cost
- Allows companies to focus on their core business
- Reduces excessive inventories of goods
- Ensures well-trained and correctly licenced drivers (Any 3 × 2) (6)

[33]

QUESTION 6

6.1 6.1.1 Trade surplus (2)

6.1.2
- Imports are goods bought from other countries.
- Exports are goods sold to other countries. (2 × 2) (4)

6.1.3
- The currency in which the goods are purchased
- The exchange rate of the currency
- Overall supply and demand
- Import tariffs and levies raised by local customs
- Legislation that may require special permits
- Seasonal factors
- Fashion crazes (4 × 2) (8)

6.1.4
- Gold
- Coal
- Iron ores
- Motor vehicles
- Chromium
- Platinum (Any 3 × 1) (3)

6.2
- Improving customer service
- Informing customers where a shipment is supposed to be
- Minimising cancellations due to late service delivery
- Improving customer retention (Any 2 × 2) (4)

6.3
- Cellular tracking
- Wireless passive tracking
- Satellite-based tracking systems (3)

6.4
- Consultation
- Service standards
- Access
- Courtesy
- Information
- Redress
- Value for money
- Openness and transparency (Any 5 × 1) (5)

6.5
- Ad hoc interviews✓ done when a customer visits the business✓
- Planned interviews✓ scheduled ahead of time.✓ (2 × 2) (4)

[33]

TOTAL SECTION B: 130
GRAND TOTAL: 150

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