higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE (VOCATIONAL)

FREIGHT LOGISTICS
NQF LEVEL 4

21 November 2023

This marking guideline consists of 8 pages.

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SECTION A

QUESTION 1

1.1 B
1.2 D
1.3 A
1.4 D
1.5 B
1.6 A
1.7 B
1.8 C
1.9 D
1.10 C

(10 × 1) **[10]**

QUESTION 2

2.1 True
2.2 True
2.3 False
2.4 True
2.5 True
2.6 True
2.7 False
2.8 False
2.9 True
2.10 True

(10 × 1) **[10]**

QUESTION 3

3.1 C
3.2 A
3.3 D
3.4 E
3.5 B

(5 × 1) **[5]**

QUESTION 4

4.1 Law enforcement
4.2 NATMAP
4.3 Transport
4.4 Manpower
4.5 Warehouses

(5 × 1) **[5]**

TOTAL SECTION A: 30

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SECTION B

QUESTION 5

5.1
- Reduce transport costs.
- Will be a solution to South Africa's deteriorating road infrastructure.
- Minimise the damage caused by trucks on the road.
- There will be fewer road accidents.
- The quality of road maintenance would improve.
- Enable exporters of agricultural products, to be transported by train in bulk to the closest harbours.
- To curb greenhouse emissions. (Any 4 × 2) (8)

5.2
- Turn the country's underperforming railway system around by making space for private sector investment.
- Giving private operators concessions to specific rail lines to encourage competition.
- Letting private companies provide their own rolling stock. (Any 2 × 2) (4)

5.3
- Encourage the collaboration and participation of interested and affected parties in improving railway safety.
- Provide for and promote safe railway operations.
- Recognise the prime responsibility and accountability of operations in ensuring the safety of railway operations.
- Facilitate a modern, flexible and efficient regulatory regime.
- Promote the harmonisation of the railway safety regime of the Republic.
- Further the achievement of such purpose by establishing a suitable regulatory institution. (Any 3 × 2) (6)

5.4 Transnet (1)

5.5
- Poor asset quality that impacts on safety and the environment, especially in the rail sector.
- The overly competitive road freight environment and the consequent poor asset quality of small road to haul businesses.
- The poor condition of railway rolling stock and container handling equipment at ports that impact on time and cost.
- The poor condition of secondary roads that compromises road safety for users.
- The operational capacity of some the SOEs responsible for regulating the industry.
- Overlaps in terms of regulatory functions and poorly defined roles and responsibilities.
- Lack of sufficient audit and inspection capacity and effective legislative powers to enforce regulatory functions.
- Some monopolies are able to operate without effective regulatory government oversight and may end up being both player and referee, for example in the case of port management.

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- Poor economic efficiency and high tariffs resulting from a lack of regulation and fair competition.
- Safety and operational procedures, especially in rail, are often established and designed to cater for ill-maintained and old infrastructure and assets.
- Policies and regulation are not always aligned to national interests.
- Poor asset utilisation partly due to operator inefficiency and capacity constraints.
- Transnet's poor financial performance that results in poor asset investment.

(Any 3 × 2) (6)
[25]

QUESTION 6

6.1
- The supplier must decide beforehand whether the business can handle the required workload and has the necessary resources to perform the job.
- The business has the necessary experience and expertise and will be able to deliver the right quality of goods and services.
- The business is in a position to deliver the goods or services within the specified period. (Any 2 × 2) (4)

6.2
- Modernise the system of financial management in the public sector.
- Enable public sector managers to manage, but at the same time, be held more accountable.
- Ensure the timely provision of quality information.
- Eliminate waste and corruption in the use of public assets. (4 × 2) (8)

6.3 6.3.1
- Containers
- High value goods
- Cars (Any 2 × 1)

6.3.2
- Containers
- Bulk goods
- Cars (Any 2 × 1)

(2 × 2) (4)

6.4
- Supplier of raw materials
- Manufacturer
- Distributor
- Wholesaler
- Retailer
- Customer (Any 3 × 1) (3)

6.5 Fixed costs do not change, they remain constant✓✓ while variable costs change according to the number of products produced.✓✓ (4)
[23]

QUESTION 7

7.1
- Increased market share✓ – If companies with products that are not competing with each other and are geographically well positioned join forces, it may be possible to access or open markets that were previously difficult to reach.✓
- Eliminate duplication✓ – Cooperation between all parties in a supply chain may limit the duplication of administration and control activities.✓
- System integration and real-time data exchange – The exchange of accurate data may enable supply chain managers to plan better, schedule and control resources.
- Alliances – Synergies may be achieved when two or more companies form an alliance to capitalise on the potential advantages of business environments, operations, markets or strategies.
- Cooperative agreements – Two businesses located in different regions may work together to utilise spare capacity on delivery vehicles. (Any 2 × 2) (4)

7.2 The growth of consumer awareness and marketing of expanded product lines to meet the growing consumer demand for a variety of products stimulate competition amongst suppliers.✓ They are forced to supply the best value to consumers at the lowest prices. As a results,✓ suppliers had to reduce their cost of supply to remain competitive. In addition to production costs, inventory and transport costs had to be reduced to remain competitive.✓ (3)

7.3 7.3.1 Refers to costs to fulfil customer orders include order taking, customer service, shipping and product tracking to ensure delivery

7.3.2 Refers to all costs associated with the storage of goods.

(2 × 2) (4)

7.4 **INCOME STATEMENT OF EMPHANGENI LOGISTICS FOR THE YEAR ENDED 31 AUGUST 2023**

Sales		✓2 000 000
Cost of sales		✓ (600 000)
Gross profit		✓1 400 000
Less expenses		✓ (690 000)
Salaries	✓300 000	
Fuel	✓250 000	
Maintenance	✓80 000	
Stationery	✓10 000	
Electricity	✓30 000	
Toll fees	✓20 000	
Net profit		✓550 000

(11)

7.5
- 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 competition' prices.
  - Offer lucrative sales terms or credit which may entice potential customers.
- Increase the price✓
  - This can only be done in cases when or where there is a scarcity of the product.✓
  - If the product quality is superior to its competitor's product quality, users may be prepared to pay a higher price.
  - Include after-sales service cost into the price.
- Decrease costs
  - Reduce production costs per unit.
  - Reduce inventory holding costs per unit.
  - Reduce transportation and material handling costs.
  - Reduce order processing costs.
  - Reduce management and overhead costs.
  - Reduce supply chain costs. (Any 2 × 2) (4)

[26]

QUESTION 8

8.1
- Political or legal issues
- Socio-economical or socio-cultural issues
- Economic issues
- Technological issues
- Environmental and global warming issues (Any 2 × 1) (2)

8.2
- Reduce transportation costs
- Structure the optimal distribution network for specific products
- Decrease lead time
- Improve customer service levels
- Improve product availability
- Reduce safety and security cost
- Allow companies to focus on their core businesses
- Ensure well-trained and correctly licenced drivers
- Reduce excessive inventories (Any 4 × 2) (8)

8.3
- Strategic management plan✓ – Is based on the company's mission and vision and provides a long-term guide to top-level managers of a company.✓✓ e.g., strategic plans look ahead to where the company wants to be in three, five or even ten years.✓
- Tactical management plan✓ – Supports strategic plans by interpreting the goals of the strategic plan and designing specific plans relevant to distinct areas or departments within the company.✓✓ e.g. based on the strategic goal to improve productivity and profitability, the tactical management plan will include ways to improve warehouse traffic or perhaps consider buying better equipment that may lower labour costs and increase profitability.✓
- An operational plan✓ – Is focused on the work of the frontline or entry-level managers.✓✓ e.g., an operational management plan may include aspects such as work scheduling, reviewing, ordering and stock inventory, creating a monthly budget for a specific period to increase the sales of a certain product or outlining an employee's performance goals for the year.✓

(Any 3 × 4) (12)

8.4
- Musina
- Polokwane
- Nelspruit
- Pietermaritzburg
- Kimberley
- Mmabatho
- Saldanha
- Bisho

(Any 2 × 1) (2)

8.5
- Namibia
- Botswana
- Zimbabwe
- Mozambique
- Swaziland
- Lesotho

(Any 2 × 1) (2)

[26]

QUESTION 9

9.1 9.1.1 Is when a country sells goods and services to other countries. (2)

9.1.2
- The currency at which 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

(Any 4 × 2) (8)

9.1.3
- Gold
- Coal
- Iron ore
- Chromium
- Platinum
- Motor vehicles and car parts (Any 2 × 1) (2)

9.2
- Improved integrated logistics management
- Enhanced operational efficiency
- Higher levels of productivity
- Saving costs
- Improved customer satisfaction (Any 4 × 2) (8)

[20]

TOTAL SECTION B: 120
GRAND TOTAL: 150

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