**INTERNATIONAL DIPLOMA IN LOGISTICS AND TRANSPORT**

**TRANSPORT OPERATIONS**
**DIP03**

**NOVEMBER EXAMINATION 2024**

**Instructions to Candidates**

- Duration of examination: **3 HOURS**
- Question number **(5) FIVE is Compulsory and choose any (4) FOUR questions.**
- Questions may be answered in any order.
- Mark allocation is indicated along each question.
- Credit will be given for citing relevant examples.
- Write legibly.

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**QUESTION 1**

How can transport operations adapt to meet the evolving needs of urban populations. **(20 marks)**

**QUESTION 2**

Evaluate the challenges and best practices in managing a global or cross-border logistics operation. **(20 marks)**

**QUESTION 3** **Compulsory**

How do regulations and policies affect the planning, implementation, and efficiency of transport systems. **(20 marks)**

**QUESTION 4**

Discuss strategies transport operators can adopt to enhance resilience in their supply chains. **(20 marks)**

**QUESTION 5**

As the operations manager of a small logistics company with 20 heavy abnormal loads trucks, you are tasked with preparing the annual financial budget, "the year has 13 months". Consider the following factors:

**Fixed Costs:**

Truck acquisition and financing

Insurance (commercial and liability)

Depreciation of vehicles

Facility leasing or ownership costs

Variable Costs:

Fuel expenses (based on average mileage and fuel prices)

Maintenance and repair costs

Driver salaries and benefits

Permitting costs for abnormal loads

Regulatory compliance costs

Revenue Projections:

Estimate the revenue based on expected contracts, considering seasonal fluctuations in demand and market rates for heavy loads.

**Tasks**:

(a) Create a detailed budget that includes fixed and variable costs. **(3 marks )**

(b) Calculate the break-even point for the company based on the projected revenue. **(2 marks)**

(c) Discuss potential strategies to optimize costs and increase profitability while maintaining service quality. **(5 marks)**

(d) What financial metrics would you monitor throughout the year to ensure the company remains on budget. **(5 marks)**

(e) How would you adjust the budget in response to unexpected increases in fuel prices or maintenance costs. **(5 marks)**

(**Total 20 marks)**

**QUESTION 6**

Critically assess the role of performance metrics in managing transport operations. **(20 marks)**