



**The Chartered  
Institute of Logistics  
and Transport**

**INTERNATIONAL CERTIFICATE IN LOGISTICS AND TRANSPORT  
FREIGHT TRANSPORT OPERATIONS**

**05-L3**

**June 2023**

**Note to Candidates**

Candidates are advised to spend NOT more than 60 minutes in Section A and not more than 30 minutes on each question in Section B.

**Instructions to Candidates**

- Duration of examination: **2.30 hours**
- **Answer ALL Questions in Section A and any THREE questions in Section B**
- Questions may be answered in any order.
- Allocation of marks is indicated along each question.
- Credit will be given for citing relevant examples.
- Write legibly.

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**SECTION A: Case study (Compulsory)**

**(40 Marks)**

**The Freight Industry**

Despite many remaining impediments, mainly concerning the existing infrastructure, Zimbabwe has achieved a highly competitive, low-cost road freight transport industry for basic services, with highway freight rates among the lowest in the world. The industry is deregulated and, as in many countries, highly fragmented with many small operators. The industry's structure, comprising transporters, broker agents and small operators, is market driven and appears to be serving the market reasonably well. Given the very low freight rates, one has to conclude it is an effective industry structure.

While the industry delivers very low freight rates, service quality is poor, with low reliability and transit times nearly double that of developed countries. This low quality of service may be adequate for much of the present traffic comprising low-value bulk products - much of which would normally be served more economically by railway or

coastal shipping. However, it is not adequate for higher-value manufactures or the time-sensitive export trade which comprise a growing share of the Zimbabwean economy.

Freight delays at checkpoints have been estimated to cost the economy Billions of dollars a year in lost freight operating hours. Given the present surplus capacity in the freighting fleet, the opportunity cost of the lost time would be less, but this estimate does indicate the magnitude of the problem of freight delays.

**Source:** Adapted from World Bank document on Road Transport Service Efficiency Study (2001).

- a) Distinguish freight operation from distribution. **(2 marks)**
- b) Mention five reasons why freight industry may be deregulated. **(10 marks)**
- c) Discuss major causes of low freight rates in Zimbabwe in comparison to SADCC countries. **(10 marks)**
- d) Outline FIVE solutions to minimise freight delays at border checkpoints. **(10 marks)**
- e) In your own words, define the following concepts:
  - i. Highly fragmented **(2 marks)**
  - ii. Market driven **(2 marks)**
  - iii. Low-value bulk products **(2 marks)**
  - iv. Surplus capacity **(2 marks)**

## **SECTION B (60 marks)**

**Answer any THREE questions.**

### **Question 1**

- a) Discuss FOUR factors that Freight operators need to consider when selecting a freight control office. **(12 marks)**
- b) Identify and explain FOUR benefits of changing the transport of goods from road to rail. **(8 marks)**

### Question 2

'Freight transport operations is the lifeblood of every economy'. Discuss this statement using examples to support your answer. **(20 marks)**

### Question 3

Study the diagram below and answer the questions that follow.



**Source:** <https://www.wiltshirelive.co.uk/news/wiltshire-news/abnormal-loads-set-cause>.

- a) The heavy goods vehicle is carrying an abnormal load. What is meant by the term abnormal load. **(2 marks)**
- b) Discuss the role of the vehicle in front of the vehicle carrying the abnormal load. **(2 marks)**
- c) List FOUR key risks associated with abnormal loads. **(4 marks)**
- d) Discuss challenges brought about by the movement of this type of load on public roads. **(12 marks)**

**Question 4**

- a) Use the information given below and draw up the income statement of Clan Freight Transport for the year ended 30 March 2023. Show all workings.

**(12 marks)**

Sales	6 500 000
Cost of sales	2 500 000
Salaries	500 000
Fuel	800 000
Maintenance	70 000
Electricity	60 000
Depreciation	80 000
Toll fees	10 000
Telephone	15 000

- b) Explain the main difference between fixed and variable costs.

**(8 marks)**