



**The Chartered
Institute of Logistics
and Transport**

INTERNATIONAL CERTIFICATE IN LOGISTICS AND TRANSPORT

BUSINESS THEORY

M1-L3

MARCH 2024

SUPPLEMENTARY EXAMINATIONS

Instructions to Candidates

- Duration of examination: **2.30 hours**
- **Answer SECTION A (Compulsory) and any FOUR questions**
- 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.

Note to Candidates

Candidates are advised to spend NOT more than 60 minutes in section A and not more than 40 minutes on each on each question in section B. Credit will be given for citing relevant examples. Write legibly.

SECTION A

(40 marks)

QUESTION 1

(Compulsory)

- a) The following trial balance have been taken out from the books of Greenfield Holdings as on 31st December, 2023

	Dr. \$	Cr. \$
Plant and Machinery	100,000	
Opening stock	60,000	
Purchases	160,000	
Building	170,000	
Carriage inward	3,400	
Carriage outward	5,000	
Wages	32,000	
Sundry debtors	100,000	
Salaries	24,000	
Furniture	36,000	
Trade expense	12,000	
Discount on sales	1,900	
Advertisement	5,000	
Bad debts	1,800	
Drawings	10,000	
Bills receivable	50,000	
Insurance	4,400	
Bank balances	20,000	
Sales		480,000
Interest received		2,000
Sundry creditors		40,000
Bank loan		100,000
Discount on purchases		2,000
Capital		171,500
	795,500	795,500

Closing stock is valued at \$90,000

Required:

- i. Prepare the trading and profit and loss account of the business for the year ended 31.12.2023 **(12 marks)**
- ii. Prepare a balance sheet as at that date. **(8 marks)**

b) For the year ended December 31, 2016, Greenfield Holdings reported total revenue of \$828.89 million and Cost of goods sold of \$148.61 million. Calculate Greenfield Holdings'.

a) Gross profit margin (5 marks)

b) Net profit margin (5 marks)

c) Explain what is meant by.

a) Net profit (2 marks)

b) Gross profit (2 marks)

c) Gross profit Margin (2 marks)

d) Net profit margin (2 marks)

e) Profit and Loss account (2 marks)

SECTION B

Answer any FOUR questions.

QUESTION 1

Demonstrate how an understanding or a lack of understanding of cash flows will affect a logistics business operation. (20 marks)

QUESTION 2

Describe the ways information can be used to evaluate and improve operational performance. (20 marks)

QUESTION 3

Discuss the role of public relations in developing and maintaining a corporate image. (20 marks)

QUESTION 4

Explain how legislation and regulation influence and constrain organisational activities. (20 marks)

QUESTION 5

Evaluate the importance of information assessment in the development of a marketing strategy. (20 marks)

