**Chapter 11: Logistics Management**

**Test Bank**

**Multiple Choice**

1. Which of the following is NOT likely to be a factor in determining logistics costs?

a. the nature of the company’s business

b. the company’s geographic location

c. the weight and value of the company’s products

d. the cost of raw materials procured by the company

Ans: D

Cognitive Domain: Comprehension (Understand)

Learning Objective: 11-1. Identify the components of an integrated logistics management system.

Answer Location: Integrated Logistics Management

Difficulty Level: Easy

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

2. For most companies, logistics costs typically represent \_\_\_\_\_\_.

a. between 10% to 35% of gross sales revenues

b. between 10% to 35% of net sales revenues

c. between 35% to 45% of gross sales revenues

d. between 35% to 45% of net sales revenues

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-1. Identify the components of an integrated logistics management system.

Answer Location: Integrated Logistics Management

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

3. Integrated logistics management (ILM) refers to \_\_\_\_\_\_.

a. a computer system that integrates ordering, transportation, and warehousing of supplies of raw materials

b. the practices used to ensure a continuous and uninterrupted flow of materials and products from suppliers to manufacturers to the final consumers

c. mechanisms by which government regulations can be circumvented

d. infinitely low-cost management techniques

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-1. Identify the components of an integrated logistics management system.

Answer Location: Integrated Logistics Management

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

4. The benefits of integrated logistics management (ILM) include \_\_\_\_\_\_.

a. keeping logistics costs down

b. contributing to employee morale

c. contributing to employee motivation

d. circumventing government regulations

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-1. Identify the components of an integrated logistics management system.

Answer Location: Integrated Logistics Management

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

5. Which of the following is NOT true of order fulfillment?

a. It is the process by which a company responds to customer orders.

b. It includes all the activities from the initial contact with the customer to the delivery of that order.

c. It is a critical logistics activity.

d. It is heavily regulated by the government.

Ans: D

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-2. List the steps in the order fulfillment process.

Answer Location: Order Fulfillment

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

6. Which of the following is NOT true of order fulfillment process?

a. It varies in complexity.

b. It may be simple when orders are filled from inventory of made-to-stock items.

c. It may be complicated for items made to order.

d. It is heavily regulated by the government.

Ans: D

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-2. List the steps in the order fulfillment process.

Answer Location: Order Fulfillment

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

7. A failure in the order fulfillment process can \_\_\_\_\_\_.

a. lead to loss of market share

b. reduce the elasticity of demand

c. invoke government regulation

d. lead to noncompliance with ISO standards

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-2. List the steps in the order fulfillment process.

Answer Location: Order Fulfillment

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

8. The order fulfillment process \_\_\_\_\_\_.

a. may be done in-house

b. cannot be outsourced

c. cannot be offshored

d. is supervised by a government agency

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-2. List the steps in the order fulfillment process.

Answer Location: Order Fulfillment

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

9. The order fulfillment process may be outsourced to a third party so that the outsourcing company can \_\_\_\_\_\_.

a. focus on its core business

b. pass the increase in prices to end consumers

c. circumvent government regulation

d. achieve ISO certification

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-2. List the steps in the order fulfillment process.

Answer Location: Order Fulfillment

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

10. Which of the following statements is true with regard to transportation costs?

a. They are a significant portion of a firm’s total supply chain expenses.

b. They represent more than 80% of total logistics costs.

c. They are not reflected in a company’s financial statements.

d. They discourage a firm from outsourcing.

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Transportation Management

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

11. Which of the following is NOT considered to be part of a transportation network?

a. pipelines

b. highways

c. shipping sea lanes

d. electronic circuitry

Ans: D

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Transportation Management

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

12. Transportation of goods has become a complex undertaking due to \_\_\_\_\_\_.

a. increased use of computers and digitization

b. unstable oil prices

c. government regulations

d. the Interstate Commerce Commission

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Transportation Management

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

13. The role transportation plays in an individual firm \_\_\_\_\_\_.

a. influences the firm’s competitive strategy

b. depends on the firm’s competitive strategy

c. influences the firm’s corporate strategy

d. depends on the firm’s corporate strategy

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Strategy and Transportation Performance Metrics

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

14. If a company’s target market consists of price conscious customers, a company may \_\_\_\_\_\_.

a. use slower modes of transportation

b. carry low levels of inventory

c. carry poor quality goods

d. avoid outsourcing entirely

Ans: A

Cognitive Domain: Application (Apply)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Strategy and Transportation Performance Metrics

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

15. Which of the following correctly pairs an item with the speed of transportation?

a. fresh fish from Alaska: emphasis on slow transportation

b. fashion garments from Benetton: emphasis on fast transportation

c. furniture from Ikea: emphasis on fast transportation

d. bananas from Honduras: emphasis on slow transportation

Ans: B

Cognitive Domain: Application (Apply)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Strategy and Transportation Performance Metrics

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

16. The key transportation performance metrics to a company are \_\_\_\_\_\_.

a. the manufacturing cost per product

b. the elapsed transit time from the initial pickup point to the final delivery point

c. the time taken by the consumer to pick up goods from the retail outlet

d. the frequency of government inspection of transportation network

Ans: B

Cognitive Domain: Application (Apply)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Strategy and Transportation Performance Metrics

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

17. Which of the following is NOT one of the key transportation metrics for a company?

a. the manufacturing cost per product

b. the ability to transport a variety of different products

c. the volume of freight that can transported at one time

d. the ability to adapt to shipping changes and contingencies

Ans: A

Cognitive Domain: Application (Apply)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Strategy and Transportation Performance Metrics

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

18. Which of the following is NOT one of the four key participants in managing transportation for a company?

a. consignor

b. consignee

c. carrier

d. insurance provider

Ans: D

Cognitive Domain: Application (Apply)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Strategy and Transportation Performance Metrics

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

19. With regard to participants in transportation of goods and services, which of the following statements is true?

a. Infrastructure owners focus on maximizing the return on their investments.

b. The shipper focuses on maximizing the total landed cost.

c. The purchaser of transportation focuses on obtaining services at the highest possible costs.

d. The primary firm may not use any transportation with a view to reducing cost of operations.

Ans: A

Cognitive Domain: Application (Apply)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Strategy and Transportation Performance Metrics

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

20. The two modes of transportation are \_\_\_\_\_\_.

a. basic and advanced

b. advanced and intermodal

c. basic and intermodal

d. government regulated and not regulated

Ans: C

Cognitive Domain: Comprehension (Understand)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Strategy and Transportation Performance Metrics

Difficulty Level: Easy

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

21. Which of the following is NOT one of the basic modes of transportation?

a. air

b. rail

c. wormhole

d. pipeline

Ans: C

Cognitive Domain: Application (Apply)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Strategy and Transportation Performance Metrics

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

22. Which one of the following is influenced by the mode of transportation used by a company?

a. cost

b. quality of raw materials purchased

c. extent of government supervision

d. compliance with ISO requirements

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Strategy and Transportation Performance Metrics

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

23. The mode that represents the highest percentage of U.S. transportation cost in recent years is \_\_\_\_\_\_.

a. air

b. pipelines

c. water

d. truck

Ans: D

Cognitive Domain: Comprehension (Understand)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Figure 11.2: Breakdown by Mode of the Share of Total Transportation Costs (in billions of U.S. dollars) in the United States

Difficulty Level: Easy

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

24. The air mode of transportation is ideal when \_\_\_\_\_\_.

a. the delivery speed or reliability is critical

b. the goods to be transported have a low value-to-weight ratio

c. the quantity of goods to be transported is high

d. the goods to be transported are hazardous in nature

Ans: A

Cognitive Domain: Comprehension (Understand)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Figure 11.2: Breakdown by Mode of the Share of Total Transportation Costs (in billions of U.S. dollars) in the United States

Difficulty Level: Easy

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

25. The line-haul cost is \_\_\_\_\_\_.

a. the cost of moving the goods from the point of origin to the final destination point

b. the cost of packaging goods for transportation

c. the cost incurred by customer in transporting goods purchased

d. the cost regulated by a government agency

Ans: A

Cognitive Domain: Comprehension (Understand)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Air

Difficulty Level: Easy

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

26. In the context of air transport, secondary transportation means \_\_\_\_\_\_.

a. transportation that is not as fast as air transport

b. transportation to get goods to/from airport

c. transportation between airports in a journey that involves multiple transportation points

d. transportation to get raw materials (rather than finished goods)

Ans: B

Cognitive Domain: Comprehension (Understand)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Air

Difficulty Level: Easy

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

27. Most air freight is transported \_\_\_\_\_\_.

a. by intermodal transport

b. in passenger planes

c. in special freighters

d. in Airbus aircraft

Ans: B

Cognitive Domain: Comprehension (Understand)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Air

Difficulty Level: Easy

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

28. Increased security measures in airports \_\_\_\_\_\_.

a. have contributed to more secure transportation

b. have had a negative impact on the reliability of air transportation for goods

c. have reduced the cost of transportation

d. have made transport of goods faster

Ans: B

Cognitive Domain: Comprehension (Understand)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Air

Difficulty Level: Easy

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

29. Motor-carrier costs in the United States \_\_\_\_\_\_.

a. are double those of total transportation costs as in the European Union

b. are 77% of the total transportation costs in the United States

c. are half the cost of air transport in the United States

d. are low because these are regulated by the government

Ans: B

Cognitive Domain: Comprehension (Understand)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Motor Carriers (Trucks)

Difficulty Level: Easy

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

30. In comparison to other modes of transportation, motor carriers \_\_\_\_\_\_.

a. are safer

b. provide more flexibility

c. are faster for long distances

d. are much more expensive

Ans: B

Cognitive Domain: Comprehension (Understand)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Motor Carriers (Trucks)

Difficulty Level: Easy

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

31. An advantage of transportation by trucks is that \_\_\_\_\_\_.

a. they can be used with intermodal transportation

b. they can travel over water

c. they can carry more goods per dollar of fuel costs

d. they are not regulated by government

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Motor Carriers (Trucks)

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

32. For medium distances, quicker delivery times are provided by \_\_\_\_\_\_.

a. air transport

b. sea transport

c. truck transport

d. pipeline

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Motor Carriers (Trucks)

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

33. In regard to motor-carrier shipping, which of the following statements is true?

a. LTL means larger-than-truckload.

b. FTL means full truckload.

c. FTL means fixed truckload.

d. FTL means floating truckload.

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Motor Carriers (Trucks)

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

34. With LTL, \_\_\_\_\_\_.

a. we are talking about less-than-tariff load

b. shippers may combine orders from several shippers

c. shipping is not regulated

d. shipping may not meet ISO requirements

Ans: B

Cognitive Domain: Comprehension (Understand)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Motor Carriers (Trucks)

Difficulty Level: Easy

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

35. An advantage of LTL shipping is that \_\_\_\_\_\_.

a. it costs less than FedEx or UPS

b. the transit times are shorter than FTL

c. it is particularly convenient for very large consignments

d. it is very suitable for shipping liquids

Ans: A

Cognitive Domain: Comprehension (Understand)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Motor Carriers (Trucks)

Difficulty Level: Easy

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

36. A disadvantage of LTL shipping is that it \_\_\_\_\_\_.

a. costs much more than FedEx or UPS

b. has a higher risk of product damage or loss because of the frequent freight handling at the terminals

c. is more regulated than other forms of shipping

d. frequently does not meet ISO requirements

Ans: C

Cognitive Domain: Comprehension (Understand)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Motor Carriers (Trucks)

Difficulty Level: Easy

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

37. Full truckload shipping (FTL) involves transportation \_\_\_\_\_\_.

a. of homogeneous goods

b. that is exemplified by FedEx or UPS

c. that is particularly suitable for liquids (oils, liquid chemicals, etc.)

d. that is highly regulated

Ans: A

Cognitive Domain: Comprehension (Understand)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Motor Carriers (Trucks)

Difficulty Level: Easy

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

38. Full truckload carriers are often contracted for transporting \_\_\_\_\_\_.

a. food and perishable items

b. liquids (e.g., oils)

c. nonregulated goods

d. packages for different destinations

Ans: A

Cognitive Domain: Comprehension (Understand)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Motor Carriers (Trucks)

Difficulty Level: Easy

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

39. Which of the following is true with regard to FTL?

a. Carriers transit times are much shorter.

b. They make more frequent stops.

c. The risk of damage to products is higher.

d. Freight frequently needs to be repackaged en route.

Ans: A

Cognitive Domain: Comprehension (Understand)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Motor Carriers (Trucks)

Difficulty Level: Easy

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

40. The main disadvantage of using FTL carriers is the \_\_\_\_\_\_.

a. short haul

b. long haul

c. backhaul

d. rehaul

Ans: C

Cognitive Domain: Comprehension (Understand)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Motor Carriers (Trucks)

Difficulty Level: Easy

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

41. The backhaul contributes to \_\_\_\_\_\_.

a. less regulation by government agencies

b. higher transportation costs for shippers

c. failure to meet ISO standards

d. reduced packaging requirements

Ans: B

Cognitive Domain: Comprehension (Understand)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Motor Carriers (Trucks)

Difficulty Level: Easy

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

42. Which of the following is FALSE with regard to transport by rail?

a. Railroads generate the most revenue in terms of ton-miles shipped.

b. The railroad industry has few freight carriers.

c. Customers relying on transporting freight by rail have many choices.

d. Customers face pricing inflexibility.

Ans: C

Cognitive Domain: Comprehension (Understand)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Motor Carriers (Trucks)

Difficulty Level: Easy

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

43. Which of the following is usually NOT a characteristic of rail transport?

a. high-value freight

b. bulk freight

c. a wide variety of products

d. transportation over long distances

Ans: A

Cognitive Domain: Comprehension (Understand)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Motor Carriers (Trucks)

Difficulty Level: Easy

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

44. One of the safest modes of transport is \_\_\_\_\_\_.

a. rail

b. sea

c. truck

d. air

Ans: A

Cognitive Domain: Application (Apply)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Motor Carriers (Trucks)

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

45. Which of the following is NOT a characteristic of transportation by rail?

a. inflexibility as routes and timings are predetermined

b. slower in comparison to shipping by air or truck

c. lower cost in comparison to shipping by truck

d. potential for product damage

Ans: C

Cognitive Domain: Application (Apply)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Motor Carriers (Trucks)

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

46. The most dominant transportation mode for international freight is \_\_\_\_\_\_.

a. air

b. water

c. truck

d. rail

Ans: B

Cognitive Domain: Application (Apply)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Motor Carriers (Trucks)

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

47. Which of the following is true with regard to energy efficiency of transportation modes?

a. Water is less than half as energy efficient as by air.

b. Water is less than half as energy efficient as trucks.

c. Transportation by train is more energy efficient than transportation by truck.

d. Transportation by water is less energy efficient than transportation by rail.

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Water

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

48. Which of the following is a commodity that is NOT transported by pipeline?

a. oil

b. gas

c. coal

d. coffee slurry

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Pipelines

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

49. The cost of transporting a barrel of petroleum by pipeline from Houston to the New York harbor is \_\_\_\_\_\_.

a. $1

b. $2

c. $3

d. $4

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Motor Carriers (Trucks)

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

50. The benefits of transportation by pipeline include \_\_\_\_\_\_.

a. more disruptions from inclement weather

b. more worker strikes and absenteeism

c. safety and security

d. the need to switch transportation points

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Pipelines

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

51. When a firm uses a direct-shipment design, \_\_\_\_\_\_.

a. each supplier sends shipments directly to each of the buying firm’s locations

b. the only decision the buying company’s purchasing manager has to make is the quantity of goods to be ordered

c. the only decision the buying company’s purchasing manager has to make is the price of goods to be ordered

c. the only decision the buying company’s purchasing manager has to make is the date the goods are to be delivered

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Direct Shipments

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

52. A key characteristic of the direct-shipment design is \_\_\_\_\_\_.

a. faster delivery

b. multiple transit points

c. better compliance with government requirements

d. poor quality control

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Direct Shipments

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

53. A milk run is a delivery system in which \_\_\_\_\_\_.

a. shipments are picked up from several suppliers and the goods are delivered to a single location

b. shipments are picked up from a single supplier and delivered to a single location

c. government regulations do not apply

d. there is poor quality control

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-7. Explain why good inventory management is important to logistics management.

Answer Location: Shipments Using a Central Distribution Center

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

54. Cross-docking is a logistics practice in which \_\_\_\_\_\_.

a. inbound shipments from a carrier are transferred to outbound carriers with little or no intermediate storage in between

b. returned goods from customers are transferred directly to the manufacturer without storage in an intermediate warehouse

c. intermodal transportation is completely avoided

d. transportation is accomplished using a single carrier

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-7. Explain why good inventory management is important to logistics management.

Answer Location: Shipments Using a Central Distribution Center

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

55. Distribution centers are useful as \_\_\_\_\_\_.

a. intermediate storage locations

b. direct retailing points

c. quality control points

d. they eliminate need for distributed manufacturing

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-7. Explain why good inventory management is important to logistics management.

Answer Location: Shipments Using a Central Distribution Center

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

56. A company may need to trade-off between \_\_\_\_\_\_.

a. transportation costs and responsiveness to its customers

b. transportation costs and compliance with government regulations

c. government regulations and responsiveness to its customers

d. responsiveness to its customers and ISO standards

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-7. Explain why good inventory management is important to logistics management.

Answer Location: Shipments Using a Central Distribution Center

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

57. To deliver customer orders quickly, a company has to \_\_\_\_\_\_.

a. use faster modes for LTL shipments

b. have more distribution centers located closer to supplier locations

c. avoid quality inspections of products after production

d. reduce packaging requirements

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-7. Explain why good inventory management is important to logistics management.

Answer Location: Shipments Using DCs and Milk Runs

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

58. Temporal aggregation refers to \_\_\_\_\_\_.

a. temporarily aggregating customer orders till economies of scale can be achieved

b. combining orders from the same customer over a period of time

c. waiting to make sure customer has ordered a full truckload

d. waiting for customers in a given country to order such that a full shipload of products can be accumulated

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-7. Explain why good inventory management is important to logistics management.

Answer Location: Shipments Using DCs and Milk Runs

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

59. Temporal aggregation \_\_\_\_\_\_.

a. will reduce transportation costs

b. will increase the firm’s responsiveness

c. will eliminate the need for quality control

d. will increase the need for cross-docking

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-7. Explain why good inventory management is important to logistics management.

Answer Location: Shipments Using DCs and Milk Runs

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

60. Packaging goods serves to \_\_\_\_\_\_.

a. hide defects in products

b. promote, identify, and inform the consumer

c. thwart government inspection

d. increase product manufacturing time

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-4. Describe the role of packaging in the transport, distribution, storage, sale, and use of goods.

Answer Location: Packaging

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

61. Which of the following is NOT an objective of packaging goods?

a. promote efficiency

b. educate the customer

c. protect the goods

d. thwart government inspection

Ans: D

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-4. Describe the role of packaging in the transport, distribution, storage, sale, and use of goods.

Answer Location: Packaging

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

62. In packaging, dye packs are \_\_\_\_\_\_.

a. freebies for people who wish to dye their hair

b. used to prevent theft

c. often made available in different colors

d. used to increase the manufacturing cost of a product

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-4. Describe the role of packaging in the transport, distribution, storage, sale, and use of goods.

Answer Location: Packaging

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

63. In packaging high-value items, shippers may use \_\_\_\_\_\_.

a. IDFR tags

b. GPS devices

c. armed guards hidden inside each package

d. the assistance of the NSA

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-4. Describe the role of packaging in the transport, distribution, storage, sale, and use of goods.

Answer Location: Packaging

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

64. Which of the following correctly pairs the type of packaging with its description?

a. primary packaging: the material that is mixed with the contents of a product

b. secondary packaging: outer wrappings that envelop and protect tertiary packages

c. tertiary packaging: protects products during transportation and bulk handling

d. security packaging: packaging used to secure goods from theft

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-4. Describe the role of packaging in the transport, distribution, storage, sale, and use of goods.

Answer Location: Packaging Types

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

65. Which of the following is NOT a standard symbol on a product’s package?

a. industry certification

b. proof of purchase

c. consumer report certification

d. information about a product’s use and safety

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-4. Describe the role of packaging in the transport, distribution, storage, sale, and use of goods.

Answer Location: Package Labeling

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

66. The retail and logistics industries use bar codes, universal product codes, and RFID labels to \_\_\_\_\_\_.

a. identify the product

b. deceive customers about products

c. encourage customers to buy products they do not want

d. hide product defects

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-4. Describe the role of packaging in the transport, distribution, storage, sale, and use of goods.

Answer Location: Packaging Types

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

67. In comparison to transportation by truck, which mode of transport is safer (in the sense it is not as prone to accidents) and also more energy efficient?

a. water

b. air

c. rail

d. bike

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Water

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

68. Which of the following is NOT a function of materials handling?

a. short-distance movement (within a plant or warehousing facility)

b. protection of materials (within a plant or warehousing facility)

c. protection of people (within a plant or warehousing facility)

d. long-haul transportation (between plant and warehousing facility)

Ans: D

Cognitive Domain: Application (Apply)

Learning Objective: 11-5. Define materials handling, and discuss its critical role in a logistics system.

Answer Location: Materials Handling

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

69. Cost of handling alone accounts for \_\_\_\_\_\_.

a. 20% to 25% of total logistics costs

b. 20% to 25% of total manufacturing costs

c. 12% to 15% of total logistics costs

d. 12% to 15% of total manufacturing costs

Ans: B

Cognitive Domain: Application (Apply)

Learning Objective: 11-5. Define materials handling, and discuss its critical role in a logistics system.

Answer Location: Materials Handling

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

70. Which of the following is NOT one of the four categories of tools and equipment used in materials handling systems?

a. storage and handling equipment

b. engineered systems

c. pricing and labeling systems

d. industrial trucks

Ans: C

Cognitive Domain: Application (Apply)

Learning Objective: 11-5. Define materials handling, and discuss its critical role in a logistics system.

Answer Location: Materials Handling

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

71. Warehousing management ensures that \_\_\_\_\_\_.

a. goods are properly stored

b. goods are properly tracked

c. goods are properly distributed

d. goods are properly marketed

Ans: D

Cognitive Domain: Application (Apply)

Learning Objective: 11-6. Describe the functions of a warehouse and the different types of warehouses.

Answer Location: Warehousing Management

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

72. Which of the following terms is correctly paired with its description?

a. supply warehouses: part of a manufacturing plant and used for long-term storage

b. cross-docking warehouses: typically used for storing finished goods for a short period of time before they are sorted and shipped to their destinations.

c. retail warehouses: storage from which sales to end consumers can be made

d. intermodal warehouses: typically used for storing finished goods between two different modes of transportation

Ans: A

Cognitive Domain: Application (Apply)

Learning Objective: 11-6. Describe the functions of a warehouse and the different types of warehouses.

Answer Location: Warehousing Management

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

73. Which of the following statements is true about warehousing costs?

a. Warehousing costs are a significant part of logistics costs.

b. Warehousing costs are an unnecessary part of logistics costs.

c. Warehousing costs can be minimized by manufacturing the right products.

d. Warehousing costs are strongly influenced by need for quality inspection.

Ans: A

Cognitive Domain: Application (Apply)

Learning Objective: 11-6. Describe the functions of a warehouse and the different types of warehouses.

Answer Location: Warehousing Management

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

74. Which of the following is usually NOT a reason why warehouses are used as intermediate storage facilities?

a. An imbalance always exists between the quantity of goods produced and the demand for these goods.

b. Warehouses enable companies to regulate the rate of flow of goods between production and consumption points.

c. Warehouses enable businesses to take advantage of volume discounts in procurement of raw materials.

d. Warehouses comply with regulations governing maintenance of minimum inventories.

Ans: D

Cognitive Domain: Application (Apply)

Learning Objective: 11-6. Describe the functions of a warehouse and the different types of warehouses.

Answer Location: Warehousing Management

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

75. In recent years, the trend in warehousing has been \_\_\_\_\_\_.

a. to have fewer but more centralized warehouses

b. to have a greater number of warehouses that are more decentralized

c. to have a greater number of warehouses that are more centralized

d. to have fewer but more decentralized warehouses

Ans: A

Cognitive Domain: Application (Apply)

Learning Objective: 11-6. Describe the functions of a warehouse and the different types of warehouses.

Answer Location: Warehousing Management

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

76. Which of the following is NOT one of the technologies used in warehouse management systems?

a. voice-activated packaging

b. RFID

c. discard-to-light technology

d. voice-activated packaging

Ans: C

Cognitive Domain: Application (Apply)

Learning Objective: 11-6. Describe the functions of a warehouse and the different types of warehouses.

Answer Location: Warehouse Functions

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

77. With regard to RFID in inventory management, which of the following is NOT a benefit of RFID?

a. It helps to effectively manage inventory.

b. It helps to identify the location of specific goods.

c. It helps to track goods lost in transit.

d. It expedites inventory management.

Ans: C

Cognitive Domain: Application (Apply)

Learning Objective: 11-7. Explain why good inventory management is important to logistics management.

Answer Location: Warehouse Functions

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

78. Reverse logistics refer to \_\_\_\_\_\_.

a. managing product returns

b. repackaging damaged products to hide defects

c. marketing of products returned once by customers

d. advertising of products returned once by customers

Ans: A

Cognitive Domain: Application (Apply)

Learning Objective: 11-5. Define materials handling, and discuss its critical role in a logistics system.

Answer Location: Warehouse Functions

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

79. In addition to deciding whether to use supply warehouses, cross-docking warehouses, and/or distribution centers, companies must also decide whether to \_\_\_\_\_\_.

a. rent a public warehouse

b. use a contract warehouse

c. own a private warehouse

d. combine renting, contracting, and/or owning

Ans: D

Cognitive Domain: Application (Apply)

Learning Objective: 11-6. Describe the functions of a warehouse and the different types of warehouses.

Answer Location: Warehouse Types

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

80. Which of the following is NOT part of a facilities network design?

a. warehouses

b. distribution centers

c. service centers

d. locations close to modes of transport

Ans: D

Cognitive Domain: Application (Apply)

Learning Objective: 11-8. Discuss the importance of facilities network design in a logistics system.

Answer Location: Facilities Network Design

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

81. Which of the following is NOT true of the NAFTA partners in 2014?

a. They had a combined trade of $1.2 trillion.

b. They represented a larger trading bloc than the 27-member European Union.

c. They decided to merge with the United Nations.

d. They decided to be governed by the ISO.

Ans: B

Cognitive Domain: Application (Apply)

Learning Objective: 11-9. Discuss the unique challenges of managing global logistics.

Answer Location: Global Logistics

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

82. Which of the following is a type of trade barrier?

a. governmental laws and regulations

b. export subsidies

c. reduced tariffs

d. exemptions from quality control

Ans: A

Cognitive Domain: Application (Apply)

Learning Objective: 11-9. Discuss the unique challenges of managing global logistics.

Answer Location: Global Logistics

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

83. A country’s balance of trade refers to \_\_\_\_\_\_.

a. the balance between the quantity of goods and services exported and the quantity of goods and services imported

b. the net difference between the monetary value of exports and imports of that country

c. the balance between the number of items imported and exported

d. the fluctuation of exchange rates

Ans: B

Cognitive Domain: Application (Apply)

Learning Objective: 11-9. Discuss the unique challenges of managing global logistics.

Answer Location: Global Logistics

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

84. Bad weather can delay ocean carrier shipments from China to the West Coast of the United States by \_\_\_\_\_\_.

a. up to a full day

b. up to 1 week

c. up to 2 weeks

d. up to 1 month

Ans: B

Cognitive Domain: Application (Apply)

Learning Objective: 11-9. Discuss the unique challenges of managing global logistics.

Answer Location: Global Logistics

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

85. Which of the following terms is INCORRECTLY paired with its description?

a. a certificate of origin: indicates the company which manufactured or processed the goods in a particular shipment

b. a bill of lading: delineates the terms of the contract between the shipper and the transportation company

c. a commercial invoice: a customs declaration document

d. shipper’s export declaration: a document showing the value, weight, destination, and other features of export shipments

Ans: A

Cognitive Domain: Application (Apply)

Learning Objective: 11-9. Discuss the unique challenges of managing global logistics.

Answer Location: Global Logistics

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

86. To combat terrorism, many national governments such as the United States have a number of \_\_\_\_\_\_.

a. mandatory security programs

b. security programs in which costs are billed to producers

c. security programs in which costs are billed to consumers

d. security programs financed from confiscation of bank accounts from the bad guys

Ans: A

Cognitive Domain: Application (Apply)

Learning Objective: 11-8. Discuss the importance of facilities network design in a logistics system.

Answer Location: Security

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

87. Which of the following is NOT one of the functions performed by global freight forwarders?

a. obtaining rate quotes

b. chartering and booking space on carriers

c. ensuring products are packaged properly

d. preparing all the necessary documentation

Ans: C

Cognitive Domain: Application (Apply)

Learning Objective: 11-9. Discuss the unique challenges of managing global logistics.

Answer Location: Global Channel Intermediaries

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

88. When we compare global logistics with domestic logistics, \_\_\_\_\_\_.

a. payment risks are greater for global logistics

b. possession risks are greater for domestic logistics

c. domestic logistics are not regulated by the ISO

d. global logistics are not regulated by the local government

Ans: A

Cognitive Domain: Application (Apply)

Learning Objective: 11-9. Discuss the unique challenges of managing global logistics.

Answer Location: Other Features of Global Logistics

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

89. Logistics outsourcing refers to a practice in which third party logistics providers (3PL) manage some of the \_\_\_\_\_\_.

a. logistics functions

b. manufacturing functions

c. marketing functions

d. human resources functions

Ans: A

Cognitive Domain: Application (Apply)

Learning Objective: 11-9. Discuss the unique challenges of managing global logistics.

Answer Location: Other Features of Global Logistics

Difficulty Level: Easy

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

90. A fourth-party logistics provider (4PL) is \_\_\_\_\_\_.

a. the merger of two 2PL companies

b. an independent supply chain integrator

c. a subcontractor for a third-party logistics provider

d. a contractor that government regulations require on a project

Ans: B

Cognitive Domain: Application (Apply)

Learning Objective: 11-1. Identify the components of an integrated logistics management system.

Answer Location: Logistics Outsourcing

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

91. An example of the need for transportation speed in the service industry is \_\_\_\_\_\_.

a. hospitals needing drugs

b. banks needing pens and other office supplies

c. manufacturers needing electricity

d. marketing agencies requiring advertising copy

Ans: A

Cognitive Domain: Application (Apply)

Learning Objective: 11-11. Describe the unique logistical needs and challenges in the service sector.

Answer Location: Logistics in the Service Sector

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

92. Managing logistics in the service sector \_\_\_\_\_\_.

a. is relatively new

b. offers little scope for further improvement

c. is not regulated by the government

d. is not relevant to international trade

Ans: A

Cognitive Domain: Application (Apply)

Learning Objective: 11-11. Describe the unique logistical needs and challenges in the service sector.

Answer Location: Logistics in the Service Sector

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

93. In the European Union, approximately 25% of the total kilometers traversed by trucks are made by empty trucks on backhauls. This is an example of \_\_\_\_\_\_.

a. the importance of rail transport in the European Union

b. the nonimportance of truck transport in the European Union

c. economic wastes

d. the need for local consumption

Ans: C

Cognitive Domain: Application (Apply)

Learning Objective: 11-12. Explain how sustainability issues are affecting the decisions made in logistics.

Answer Location: Ethical and Sustainability Issues

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

94. Which of the following is NOT an example of unethical behavior?

a. deceptive packaging

b. misleading information on package labels

c. covering up damaged products going out for shipment

d. unusually high profit margins

Ans: D

Cognitive Domain: Application (Apply)

Learning Objective: 11-12. Explain how sustainability issues are affecting the decisions made in logistics.

Answer Location: Ethical and Sustainability Issues

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

95. Historically, logistical costs \_\_\_\_\_\_.

a. have always received a lot of attention in the context of social responsibility

b. have been defined solely in terms of morality

c. have to be redefined when viewed in terms of environmental impact

d. have frequently been the subject of government audits

Ans: C

Cognitive Domain: Application (Apply)

Learning Objective: 11-12. Explain how sustainability issues are affecting the decisions made in logistics.

Answer Location: Ethical and Sustainability Issues

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

96. Which of the following is NOT one of the things consumers and public officials are demanding with regard to sustainability issues in logistics management?

a. more transparency

b. more accountability

c. logistics strategies to conserve resources

d. less emphasis on sustainability

Ans: D

Cognitive Domain: Application (Apply)

Learning Objective: 11-12. Explain how sustainability issues are affecting the decisions made in logistics.

Answer Location: Ethical and Sustainability Issues

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

97. Which of the following is one of the reasons for using smarter and more efficient packaging methods?

a. to increase the amount of packaging material they use

b. to increase the space required on pallets and in containers

c. to increase the carbon footprint

d. to be more socially responsible

Ans: D

Cognitive Domain: Application (Apply)

Learning Objective: 11-12. Explain how sustainability issues are affecting the decisions made in logistics.

Answer Location: Ethical and Sustainability Issues

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

98. Functions such as packaging and distribution, returns processing, and disposal \_\_\_\_\_\_.

a. may be managed independently in different locations

b. are major sources of failure to meet ISO standards

c. are frequently the subject of government audits

d. are always owned by a third-party logistics provider

Ans: A

Cognitive Domain: Application (Apply)

Learning Objective: 11-12. Explain how sustainability issues are affecting the decisions made in logistics.

Answer Location: Ethical and Sustainability Issues

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

99. Which of the following is NOT a technique used by logistics companies to reduce their carbon footprint?

a. using dynamic vehicle planning and routing software systems

b. using up-to-date traffic data to calculate the most efficient delivery routes

c. exchanging shipments during trips

d. using less automation

Ans: D

Cognitive Domain: Application (Apply)

Learning Objective: 11-12. Explain how sustainability issues are affecting the decisions made in logistics.

Answer Location: Ethical and Sustainability Issues

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

100. Which of the following modes of transport is likely to be used for transporting low-value bulk commodities such as petroleum, grain, coal, and chemicals by inland waterways?

a. barges

b. small boats

c. large ships

d. yachts

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 11-3. Identify the decisions involved in transportation management.

Answer Location: Water

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution