



EAST AFRICAN SCHOOL OF AVIATION

FINAL EXAMINATION

ACM 03

SUBJECT: TOTAL DISTRIBUTION COST

Duration: 2 HRS

DATE:

TIME: 0900hrs - 11000hrs

INSTRUCTIONS TO ALL CANDIDATES

1. Answer all questions.

- P in the TDC formula means?
 - Price of transport
 - Number of pieces shipped
 - Price of goods
 - Interest rate
- Additional costs will vary based on the transportation mode used. Which is not a mode of transportation?
 - Rail
 - Water
 - Air
 - Road
- Which is an example of an additional cost?
 - Warehousing
 - Terminal charges
 - Customs clearance
 - Clearance charges

Use the table herein and answer questions 15-16

ADMINISTRATION		10%
TRANSPORTATION		
<i>Inbound</i>	10%	
<i>Outbound</i>	20%	30%
RECEIVING and SHIPPING		8%
WAREHOUSING		17%
INVENTORY CARRYING COSTS		
<i>Interest</i>	10%	
<i>Taxes, Insurance</i>	7%	
ORDER PROCESSING		18%
		100%

- Transportation cost represents what percentage of the total distribution costs?
 - 40%
 - 30%
 - 35%
 - 25%
- Inventory carrying costs – Taxes, Insurance represents what percentage of the total distribution costs?
 - 10%
 - 7%
 - 17%
 - 18%
- Which mode of transportation has lower cost in total distribution cost?
 - Sea
 - Air
 - Both
 - None of the above
- Which of the following information is not necessary in a total distribution calculation?
 - Door-to-Door transportation time
 - Packing costs
 - Loading costs
 - Mark-up
- According to the TDC formula, LD means?
 - Price of goods
 - Interest rate
 - Transport costs
 - Number of days' goods are stored
- The cost of any article available for purchase in a shop basically comprises of the following elements except?
 - Production cost
 - Total distribution cost
 - Make-up
 - Profit
- $TDC = P * A * (?) * LD + ? + ?$

360

- K, TO, TTT
 - KO, TTT, TO
 - OK, TO, TTT
 - O.K, TTT, TO
- Which mode of transportation has higher rates?
 - Sea
 - Air
 - Both
 - None of the above

- B. 57
D. 110
- f) What is the TDC for sea transport?
A. \$612
B. \$621
C. \$692
D. \$358
19. Today, the cost of distribution tends to be lesser than that of production.
A. True
B. False
20. There are three ways in which profit can be increased if taxes were fixed. Which one is not?
A. Lower the distribution cost
B. Increase the sales profit
C. Increase the sales price
D. Lower the production cost
21. In the 19th century, the huge costs involved?
A. Taxes
B. Production
C. Pricing
D. Distribution
22. The cost of producing and distributing a textile shirt when divided as **Taxes 20% & profit 35%**, what percentage is the distribution and the production respectively?
A. 30% / 15%
B. 15% / 30%
C. 20% / 25%
D. 10% / 35%
23. Which is not a major component of physical distribution costs?
A. Cost inventory related
B. Receiving and shipping
C. Warehousing
D. Order processing
24. What is TDC?
A. Transport Disturbance Cost
B. Transport Distribution Cost
C. Total Distribution Cost
D. Total Distributing Cost
25. Costs must be distributed for each of the main components in the total distribution costs.
A. True
B. False
26. _____ has an invisible cost due to high interest paid on capital tied up in goods under production, in warehouses and during transportation.
A. Time
B. Space
C. Profit
D. Price
27. The rate of _____ of goods in storage and during transport must always be calculated.
A. Interest and value
B. Interest and safety
C. Value and space
D. Interest and space
28. When thinking of transportation costs, we tend to think only of?
A. Transport rates
B. Terminal charges
C. Freight rates
D. Customs clearance
29. One of the following is not among the major components of physical distribution costs are as follows:
A. Administration
B. Transportation
C. Receiving and Shipping
D. Warehousing
30. Which is not a component of transportation costs?
A. Warehousing
B. Packing costs
C. Large load costs
D. Delivery charges

END OF PAPER