

REPUBLIC OF RWANDA



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*2020-2021  
Masking Scheme*

**NATIONAL EXAMINATIONS, 2019  
ORDINARY SECONDARY LEVEL**

**ANSWER BOOKLET**

Subject: *Freight Forward Operation and Tariff Classification*

*Read carefully the instructions on the back of this page*

QUESTIONS	1	2	3	4	5	6	7	8	9	10	Total
Marks											
QUESTIONS	11	12	13	14	15	16	17	18	19	20	Total
Marks											
QUESTIONS	21	22	23	24	25	26	27	28	29	30	Total
Marks											



### **Instructions to the candidate**

1. This booklet contains 16 pages. You **MUST** report to your invigilator immediately in case you are issued with a booklet with a different number of pages.
2. You **MUST NOT** remove any papers from this booklet.
3. You **Must** write correctly your personal identification (name and registration number) **ONLY** in the space provided – on the top – right – corner of the front – outer – cover page of this booklet.
4. You **MUST NOT** write your personal identification anywhere else on this answer booklet and on any additional papers. Additional papers will only be affixed to this booklet.
5. You **MUST** read carefully the instructions on the front page of each examination question paper before opening the question paper and strictly follow these instructions.
6. In case rough work has to be done, you must use the other side of the page. After using the back as a rough page, you have to cancel across the page but do not make it totally illegible.
7. Ensure that you sit for exam for your level and combination as indicated on the timetable. In case you are given a wrong examination paper, you must report immediately to the invigilator.
8. Avoid bad hand writing, too much rubbings, etc.
9. Avoid writing information irrelevant to the subject of the examination in question.
10. You must not cheat or encroach on neighbours' work in the examination room. Any examinations malpractice is punishable whenever it is seen.
11. Sign on the sitting plan sheet after handing in the answer booklet.
12. Violation of these instructions leads to punishment of the candidate.

Section I: Attempt all the Twelve (12) questions /60marks

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Q1. Define the following elements: (5marks)

- (a) Packaging
- (b) External environment
- (c) Internal environment
- (d) Packing

Answer

(a) Packaging: process or technology of enclosing or protecting products for distribution, sales and use. (1.5 marks)

(b) External factors: all outside factors or influences that impact the operations of business. (1.5 marks)

(c) Internal environment, internal factors refer to various elements present the inside of the organization that can affect or be affected by business operations. (1 mark)

(d) Packing: action or a process of loading something. (1 mark)

Q2. Explain any three (3) advantages and disadvantages of Consolidation. (5 marks)

Advantages of Consolidation:

- Consolidation of freight by different individuals, consignees, this minimising on the cost of freight. (1 mark)
- Minimising on the container utilisation; (1 mark)
- Minimising on the time of shipment. (1 mark)

Disadvantages of Consolidation

- It may take a long time to fill up a container load;
- It may result to the delay of shipment;
- High charges by consolidators at the port of loading and discharge



02. Explain any ~~three (3)~~ ~~advant~~ five (5) roles of freight forwarder. (5 marks)

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- Tracking in land transportation;
  - Preparation of import and export documents;
  - Freight Consolidation;
  - Cargo Insurance;
  - Booking Cargo space;
  - Negotiation of freight charges.
- (each role equals to 1 mark X 5  $\Rightarrow$  max. 5 marks)

04. List down and explain any five (5) Incoterms used by business. (5 marks)

CIF: Cost Insurance and Freight

CFR: Cost and Freight

FOB: Free on Board

DDP: Duty Delivery Paid

FAF: Free Alongside Ship

EXW: Ex works

PCA: Free Carrier

CPT: Carrier Paid To

CIP: Carriage and Insurance Paid

DAT: Delivery At Terminal

(Each correct Incoterms stated = 1 mark X 5  $\Rightarrow$  max. 5 marks)

05. (a) State any four (4) Cargo (2 marks)

(b) List down any three (3) importance of marking and labeling (3 marks)

- (a) - Live animals
- Perishable goods
  - Project Cargo
  - Dangerous Cargo (goods)

(0.5 mark for each correct Cargo X 4  $\Rightarrow$  max. 2 marks)

(b) - Easy identification

- Marketing

- Information transmission

- Barrier protection.

(each 1 element equals to 1 mark  $\Rightarrow$  max. 3 marks)

06. Write down five (5) structures of EAC - Customs tariff. (5 marks)

- 21 sections:

- 90 chapters;

- 1274 headings

- 5212 subheadings

- legal notes

- General interpretation rules

(each structure = 1 mark  $\Rightarrow$  max. 5 marks)

07. (a) Crownge Ltd manufactures the Computers and they want to pack them from China to Harer - Salam. What are four (4) factors that they will consider? (2 marks)

(b) Enumerate any three (3) factors to determine freight rate in EAC. (3 marks)

(a) Nature of the goods

- Their fragility

- Their value

- Their hazardous nature

- Their duration of transport in different transit corridors

- Their mode of transport in different transit and their handling equipment

(each factor 0.5 mark  $\times 4 = 2$  mark (max. 5 marks)

(b) - the form of cargo

- mode of transport

- The weight of the cargo

- The distance to the delivery destination

- The value of goods (each factor 1 mark  $\times 3 = 3$  marks)



08. (a) Identify any four (4) roles of packaging in freight forwarding. (2 marks)

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(b) Explain categories of freight forwarder (3 marks)

(a) Physical protection;

- Easy packing;
- Hazard protection;
- Marketing;
- Information transmission;
- Safe arrival destination;
- Prevention of unnecessary damage;
- Barrier protection;
- Security;

(each correct element = 0.5 mark x 4  $\Rightarrow$  (max. 2 marks))

(b) - National freight forwarder handles national / local shipment;

- International freight forwarder handles international shipments and preparation and processing of customs documentation.

(each correct element = 1.5 marks x 2  $\Rightarrow$  (max. 3 marks))

09. (a) Differentiate Consignee from Consignment. (2 marks)

(b) Mention any three (3) activities of logistics (3 marks)

(a)

- Consignee: means a person, organization or government which is entitled to take delivery of a Consignment (1 mark)
- Consignment: means any package or packages of any goods presented by a Consignor for transport (1 mark)

(b) - Warehousing;

- packaging and packing
- order processing

- Market forecasting and Consumer service

- Material handling

(each activity = 1 mark x 3  $\Rightarrow$  (max. 3 marks))

10. Define the following terms:

- (a) Carrier
- (b) Special Cargo
- (c) Freight rate
- (d) Consignor
- (e) Freight forwarder

(a) Carrier: means any person actually performing the carriage of the goods with his own means of transport.

(b) Special Cargo: means Cargo which requires special attention

(c) Freight rate: Price at which a certain cargo/freight is delivered from one point to another

(d) Consignor: a person/company who puts goods in the care of others (forwarding agent, freight forwarder, carrier, transport operator) to be delivered to a consignee

(e) Freight forwarder: a person/legal person who arranges issues of transportation, he is an intermediate between a consignor and transporter or carrier.

(each definition = 1 mark x 5 marks => max. 5 marks)

11. (a) List any three (3) examples of dangerous goods (3 marks)

(b) State any four (4) means of transport used in transporting of special goods (2 marks)

- (a) - Petroleum
- Fuel
- Gas
- Chemical products
- Flammable liquid

(0.5 x 4 => max. 2 marks)

- (b) - transport by sea; - transport by airway
- transport by road; - transport by pipeline
- transport by railway;

(each correct element equals 1 mark => max 3 marks)



12. Identify any five (5) uses of harmonized system (5 marks)

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- Used for statistical purposes;
  - A base for Customs tariff.
  - As a basis for rules of origin;
  - As a basis for trade negotiations
  - As a basis for the collection of internal taxes
- (1 element = 1 mark  $\times 5 = 5$  max. 5 marks)

Section II. Attempt any four (4) questions out of 6 questions (40 marks)

13. (a) State the conditions that must be fulfilled or containers to be classified according to rule 5A (3 marks)
- (b) List any two (2) examples of containers to be classified under rule 5A and two examples under rule 5B (4 marks)
- (c) Identify at least three (3) users of harmonised system (3 marks)

(a) Goods are classified with their container (2 marks)

(b) Examples of Rule 5A:

- Guns and its bags are classified together (1 mark)
- Guitar and its bags are classified together (1 mark)

(c) Clearing agencies

- Customs departments
- Port authorities
- Importers/exporters
- Bank institutions
- Traders
- Shipping lines
- Governments
- Transporters
- International organizations

(each element = 1 mark  $\times 6 = 6$  max. 6 marks)



14. The harmonised Commodity describes and Coding System (HS) forms a framework on that mater it possible to arrange 98% of all goods in the world in a systematic way.

Required:

- a) Identify any five (5) main importance of ware housing (5marks)
- b) State any three (3) principles used in the arrangement of section in HS. (5marks)

- (a) ~~at 87~~ - handling
- documentation
  - product mixing
  - Consolidation
  - distribution
  - repacking
  - Customs clearance

(each element = 1 mark x 7 = 7 marks)

(b) - material

- usage
- Degree of processing

(each element = 1 mark x 3 = 3 marks)

15. (a) In the harmonized System structure, every section is composed of chapters, headings and subheadings. Based on section IV prepared foodstuffs, beverages, spirits and vinegar, tobaccos and manufactured of tobaccos substitutes, indicate if numbers below represent either chapter heading and subheading. (5marks)

- i. 87.04.23
- ii. 65.05
- iii. 23
- iv. 46.02
- v. 57.05.20

(b) outline five (5) determinants of freight rate. (5marks)

- (a) a) 87.04.23 : Subheading
- b) 65.05. heading
- c) 23. Chapter
- d) 46.02. heading
- e) 97.05.20 : Subheading

(each element 1 mark x 5 = 5 (max. 5 marks))

(b) - the form of the cargo

- Mode of transport
- the weight of the cargo
- the distance to the delivery destination
- the value of goods

(1 element = 1 mark x 5 = 5 (max. 5 marks))

15. GIR 5 has two (2) sections: GIR 5(a) and GIR 5(b). These sections deal with various types of containers presented with the articles for which they are intended.

(a) Explain which container of goods is to be classified using GIR 5(a) or GIR 5(b).

(b) In case of packaging materials or packing containers clearly suitable for repetitive use, how must these containers be classified?

(a) GIR 5A :

- Guns and its bags are classified together (1.5 marks)
- Guitar and its bags are classified together (1.5 marks)

GIR 5B: - oil and drums are classified separately (1.5 marks)

- Bottles for Gas are classified separately (1.5 marks)

(b) Goods are classified with their containers (4 marks)



17. Incoterms not only describe seller's and buyer's obligation and specify the point when the responsibility for the transportation cost shift from the seller to the buyer; explain briefly the growth group E, C, D, and F.

"E" Departure term: Seller makes goods available to the buyer at the seller's premises or other place named by the seller.

"F" Main Carriage unpaid terms: seller is responsible to deliver the goods to the export shipment point and carrier designated by the buyer.

"C" Main Carriage paid terms: seller is responsible for contracting carriage of goods to the place of destination but does not assume risk or loss or damage to goods or additional costs due to events occurring after shipment.

"D" Arrival terms: Seller is responsible for all costs and risks associated with delivering goods to the named place in the country of destination.  
(each element 2.5x4 = 10 marks)

18. The harmonized Commodity description and coding system (HS) forms a framework that makes it possible to arrange 98% of all goods in the world in a systematic way;

Required:

- (a) state and explain three (3) principles used in the arrangement of sections and chapters in the HS (5 marks)
- (b) What are the importance of harmonised system? (5 marks)

(a) Raw material : It is according to what the goods are made of.

Usage: they classify according to the use or function of that goods.

Degree of processing: It is according to the degree of processing of that goods.

(1 element  $\times$  2 marks  $\times$  3  $\Rightarrow$  6 marks)

(b) - It is uniform and consistent

- It is used for statistical purposes

- There is no re-classification

- Harmonised system helps intrade organisation

- Customs technologies are standardised

(1 each element  $\times$  4 = 4 marks  $\Rightarrow$  4 marks)

*E.A.D.*