



The Chartered
Institute of Logistics
and Transport

Haulage Operations

PAPER ONE

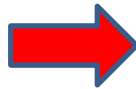
Examination for

Certificate of Professional Competence in Haulage Operations

Date: 9th December 2020 Time: 09:30 to 12:00

**PLEASE ENSURE THAT YOUR EXAMINATION NUMBER IS FILLED IN BELOW.
WITHOUT YOUR EXAMINATION NUMBER YOUR PAPER CANNOT BE CORRECTED.
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BOOKLET.**

EXAMINATION NUMBER



Please Note:

Section A contains 19 questions. Please answer **all** these questions. The format is as follows:

**6 multiple choice questions of 5 Marks each, 4 multiple choice questions of 10
Marks each & 9 short questions of 20 Marks each.**

Section B contains 3 questions, ***Question 1 is compulsory and carries 100 Marks. One
further question from a choice of Two must be attempted.*** Each question carries 50
Marks.

THE EXAMINATION PAPER IS COMPLETE, AND NO ADDITIONAL PAGES SHOULD BE
APPENDED. SPACES ARE ALLOWED IN THE EXAMINATION PAPER FOR WRITTEN
ANSWERS TO BE PROVIDED FOR EACH QUESTION

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Paper number	Total marks	% achieved	Result
Paper One			
Paper Two			
Overall Result			

H1

Section A

5 Mark Questions

Q1. The vast majority of companies in Ireland are:

(Tick the correct answer at A, B, C, D)

A incorporated private companies limited by shares.

B designated activity companies.

C unlimited companies.

D companies limited by guarantee.

(5 Marks)

Q2. Which of the following are said to be a disbenefit of operating as a sole trader?

(Tick the correct answer at A, B, C, D)

A you are required to declare yourself as a director of the business.

B you can never form a company limited by guarantee.

C you cannot limit your liability and if you go bankrupt you can lose everything.

D you still require an external company secretary, other than yourself.

(5 Marks)

Q3. As a general rule it is dangerous to let the current liabilities exceed the current assets because a business might then be unable to meet its obligations. What might be considered a reasonable ratio of current liabilities to current assets?

(Tick the correct answer at A, B, C, D)

- | | | | |
|---------|--------------------------|-------|--------------------------|
| A 1:0.5 | <input type="checkbox"/> | B 2:1 | <input type="checkbox"/> |
| C 2:1.5 | <input type="checkbox"/> | D 1:2 | <input type="checkbox"/> |

(5 Marks)

Q4. (i) Working capital is calculated as current assets minus current liabilities. (ii) Capital employed is calculated as the fixed assets plus the current assets. These statements are:

(Tick the correct answer at A, B, C, D)

- | | | | |
|------------------------|--------------------------|-----------------------|--------------------------|
| A (i) True (ii) True | <input type="checkbox"/> | B (i) False (ii) True | <input type="checkbox"/> |
| C (i) False (ii) False | <input type="checkbox"/> | D (i) True (ii) False | <input type="checkbox"/> |

(5 Marks)

Q5. Road haulage operators may be required to ensure that a number of documents are kept on board the vehicle, depending on the transport operation being carried out. Which ONE of the following documents must ALWAYS be carried on board the vehicle in all cases?

(Tick the correct answer at A, B, C, D)

- | | |
|--------------------------------------|--------------------------|
| A Driver Attestation | <input type="checkbox"/> |
| B Certified Copy of Operator Licence | <input type="checkbox"/> |
| C Bilateral Permit | <input type="checkbox"/> |
| D ECMT Licence | <input type="checkbox"/> |

(5 Marks)

Please Turn Over

Q6. Which ONE of the following operations does NOT require a Road Haulage Operator Licence?

(Tick the correct answer at A, B, C, D)

- A Transporting goods for another party using a leased/hired heavy goods vehicle (HGV)
- B Transporting your own goods in a HGV
- C Transporting hazardous goods for hire or reward in a HGV
- D Transporting goods for another party in a HGV within Ireland

(5 Marks)

10 Mark Questions

Q7. Good repute is a requirement to be satisfied by applicants for a Road Haulage Operator Licence. Where the applicant is a company, which ONE of the following describes who must satisfy the good repute requirement?

(Tick the correct answer at A, B, C, D)

- A The company directors and the transport manager
- B The company directors, the company secretary, the transport manager and the company itself
- C The company directors, the company secretary, the transport manager and the drivers
- D The company directors and the company secretary

(10 Marks)

Q8. A contracted Transport Manager is one who does not have a genuine link to the undertaking, i.e. he/she is not an employee, director/secretary or sole trader owner in the undertaking. A contracted Transport Manager is subject to certain conditions – which ONE of the following is NOT among these conditions?
(Tick the correct answer at A, B, C, D)

A He/she can manage the transport activities of a maximum of four different undertakings.

B He/she must be aged between 18 and 60.

C The combined total fleet of vehicles he/she manages must be no more than 50 vehicles.

D He/she must be resident in the European Union.

(10 Marks)

Q9. You are employed as the Transport Manager of medium sized undertaking (100 vehicles). You have recently needed to bring in a number of agency drivers for a 6-month contract which your company has won following a tender. One of the agency drivers (Tom) has approached you to request access to the company's defined benefit pension scheme. What is your response?

(Tick the correct answer at A, B, C, D)

A Tell Tom that as an agency worker he does not have a right to access the company pension scheme.

B As the qualification period for the company pension scheme is 12 months and Tom is only here for 6 months there is nothing you can do.

C Arrange access for Tom to a standard PRSA for the duration of the contract

D Tell Tom that it is up to the Agency to arrange pension and PRSA matters for him.

(10 Marks)

Please Turn Over

Q10. Certain requirements must be met when applying to have a vehicle authorised on an existing Road Haulage Operator Licence. Which ONE of the following requirements does NOT apply?

(Tick the correct answer at A, B, C, D)

- A Documentation for the vehicle to be added must be submitted with the application, i.e. copies of motor tax, insurance and certificate of roadworthiness.

- B Where the vehicle to be added is replacing a vehicle already on the licence, the licence documents for that vehicle should be returned with the application.

- C Where the application will lead to the overall number of authorised vehicles being increased and previous financial standing details do not support this increase, new financial standing documentation must be submitted with the application.

- D The vehicle to be added must be currently taxed and insured for hire or reward.

(10 Marks)

20 Mark Questions

Q11 (A) What is cabotage?

(4 Marks)

(B) A haulier carrying out cabotage services shall only be deemed to comply with the Regulations pertaining to cabotage if the haulier can produce clear evidence of the incoming international carriage and of each consecutive cabotage operation carried out. Give details of the evidence required.

(16 Marks)

(Total 20 Marks)

12. Regulation 14 of Statutory Instrument No. 89 of 2017, as updated by Statutory Instrument No. 265 of 2018 European Union (Occupation of Road Transport Operator) Regulations giving effect to Regulation (EC) 1071 of 2009 sets out a list of documents that road transport operators are required to keep at their business address. List FIVE of these documents.

(20 Marks)

Please Turn Over

13. List the FOUR distinct licensing documents that are issued to the holder of an International Road Haulage Operator Licence with one vehicle authorised on the licence.

(20 Marks)

14. Briefly explain the formulas used to calculate working capital and total capital employed. Give 4 examples of what would be included in each component to the formula

(20 Marks)

15. Common law, assisted in some instances by statute, has laid down certain fundamental rules to identify what constitutes good and proper offer and acceptance. Describe what they are?

(20 Marks)

Please Turn Over

16. (A) Taking the following cash flow budget outlined below and taking the figures given calculate the balance on the last line and fill in the values in the boxes below.

CASH FLOW BUDGET

	Jan	Feb	Mar	Apr	May	Jun
	€	€	€	€	€	€
BALANCE AT START						
	+6000					
Expenditure						
Fuel	1300	1000	1200	1500	1300	1500
Wages/Salaries	2500	2500	2500	2500	2500	2500
Loan Repayment	450	450	450	450	450	450
Licences	2100					
Insurance	600	600	600	600	600	600
Maintenance		1000		250		200
Postage	50	50	60	50	50	60
Telephone			100			120
Miscellaneous	200	300	400	200	300	500
TOTAL	7200	5900	5310	5550	5200	5930
Receipts						
Haulage/Passenger Revenue	5000	4000	5000	2000	6000	10000
TOTAL	5000	4000	5000	2000	6000	10000
Balance						

(B) Please outline what these balance figures indicate in managing the cash flow of the enterprise?

(Total 20 Marks)

17. Please outline the 5 main duties of a Director.

(20 Marks)

Please Turn Over

18. List four ways that best practice driving techniques can improve vehicle fuel efficiency. Select one of the techniques and state why and what improvement you would expect in fuel consumption.

(20 Marks)

19. Investing in training is necessary and beneficial for a transport company. Please outline the benefits from both employee and director/management training course.

(20 Marks)

Section B

Candidates must attempt Question 1 and one other question –

PLEASE NOTE - Question No. 1 is compulsory

(Please use a separate page for each answer. You may also use the back of each page).

Compulsory 100 Mark Question

Q1. You are the Transport Manager for a company that operates a fleet of 20 articulated refrigerated vehicles. The company has a number of customers on the island of Ireland for whom it transports temperature-controlled goods.

One of its current customers has asked you to cost a new run from your depot in Greenogue, Co Dublin to Cork City. The run involves loading the refrigerated unit at Dublin. Loading of the palletised goods is carried out by the customer's staff and usually takes 1 hour. The vehicle then drives to Cork, a distance of 240 kms. On arrival at the customer offloads the vehicle which takes 45 minutes. The driver is not involved in the offloading. The driver then has to travel a short distance 1 km approx. to another warehouse in the same industrial estate where the vehicle is loaded with pallets for return to Dublin. This takes a total of 1.5 hours. The driver then returns to Greenogue where the vehicle is off loaded. Off-loading time is 1 hr. Note assume the vehicle is running for the entire duration of the journey for costing purposes. There are usually some delays on the Naas Road/Greenogue area on the return journey.

Costs

Driver – paid €16.50 per hour and guaranteed 45 hours per week. Receives 4 weeks annual holidays and is paid for bank holidays. Holiday and bank holiday pay is at 8 hours per day, each driver receives 4 weeks annual holidays and 10 bank holidays
The employer pays PRSI at 11.5%. Add in €1,100 per annum to cover training, uniforms, telephone allowance and sundries

Vehicle

The lease cost on the tractor unit including maintenance is €25,000 per annum. The lease cost for the trailer, again including maintenance is €10,000 per annum
Add Insurance at €6,500 per annum, road tax is €900 per annum, vehicle washing €1,200 per annum and other or sundry €800 per annum

Overheads

The total annual cost of overheads including office staff, transport manager, insurance, depot rental, audit fees and other fixed costs is €130,000

Variable cost

The average fuel consumption is 3.1 kms per litre and the current cost of fuel is €0.93 per litre. Tyres on tractors and trailers are estimated at €0.06 per kilometer. The fridge consumes 2.5 litres of gas oil per hour. Gas oil costs €0.60 per litre

Please Turn Over

A. Calculate

- Cost per hour for the driver
- Cost per hour for the tractor and trailer
- Cost per hour for overheads
- Cost per kilometer for fuel and tyres
- Cost per hour for running the fridge

- B. Using the above costs calculate the cost of the round trip Greenogue – Cork– Greenogue. Include a suitable gross profit margin.
- C. You incur a delay of two hours at the customers premises which the customer has agreed to pay how much would you charge the customer.
- D. Calculate the percentage of the trip rate for vehicle, labour, running, overheads and profit.
- E. What would be the impact of a Fuel price increase of 10%?

(Total 100 Marks)

50 Mark Questions

Please attempt One, and only one of the following questions. Marks will not be allotted to more than one answer.

Answer **one** of the following:

Q2. The utilisation of vehicles is a fundamental part of any transport operation. Describe the strategies that give competitive advantage and the constraints and practicalities that must be remembered while doing this? What information is essential to have in accepting jobs and pricing them

(50 Marks)

Q3. You are employed as the Transport Manager of an undertaking with 250 vehicles. You have recently recruited a number of part-time drivers as well as a number of agency drivers to supplement the core establishment of full-time drivers. **Outline the liability** your undertaking has in respect of ensuring compliance with driving hours and working time regulations and **describe the steps** you would take to ensure that your undertaking is compliant in respect of **all drivers** in your charge.

(50 Marks)

