



The Chartered
Institute of Logistics
and Transport

Road Haulage Operations

PAPER ONE

Examination for

Certificate of Professional Competence in Road Haulage Operations

Date: **Sample** 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. YOUR EXAMINATION NUMBER HAS BEEN ADVISED TO YOU IN WRITING AND IS NOT YOUR SEAT NUMBER. PLEASE DO NOT SIGN YOUR NAME ON THE EXAM BOOKLET.

EXAMINATION NUMBER



Please Note:

Section A contains 15 questions. Please answer all these questions. The format for this section is as follows: 6 multiple choice questions of 5 Marks each, 1 multiple choice question of 10 Marks & 8 short questions of 20 Marks each. Negative marking does not apply on these questions. Please attempt an answer in all cases.

You MUST provide your answers in this SECTION A QUESTION BOOKLET

Section B contains 3 questions, Question 1 is compulsory and carries 150 Marks. One further question from a choice of Two must be attempted. Both questions carry 50 Marks.

You MUST provide your answers in the separate cream-coloured SECTION B Answer Booklet provided.

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			

Q1

5 Marks Where a road haulage operator is applying to renew their Road Haulage Operator Licence, which ONE of the following must be provided as part of the licence application in order to demonstrate that the requirement of financial standing is satisfied?

- A) A bank statement ☐
- B) A letter from the applicant's accountant ☐
- C) Statement of affairs ☐
- D) Annual accounts ☐

Q2

5 Marks Depending on the transport operation being carried out, road haulage operators may be required to ensure that a number of documents are kept on board the vehicle. Which ONE of the following documents must ALWAYS be carried on board the vehicle regardless of the type of transport operation being carried out?

- A) Driver Attestation ☐
- B) Certified Copy of Operator Licence ☐
- C) Bilateral Permit ☐
- D) ECMT Licence ☐

Q3

5 Marks Under company law, small companies, if they meet certain criteria, may avail of an audit exemption whereby they only have to file a balance sheet and relevant notes. One of these is, if turnover does not exceed a certain figure. What is that figure?

- A) €5M ☐
- B) €12M ☐
- C) €15M ☐
- D) €10M ☐

Q4

5 Marks Which one of the following may be used as a reason to put a company into liquidation?

- A) No Insurance ☐
- B) Criminal Record ☐
- C) Unable to pay Debts ☐
- D) Bad accident record ☐

Q5

5 Marks (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 :

- A)** (i) True (ii) True ☐
- B)** (i) False (ii) True ☐
- D)** (i) False (ii) False ☐
- E)** (i) True (ii) False ☐

Q6

5 Marks Pay As You Earn Tax (PAYE) and social security (PRSI) deductions must be deducted in respect of employees and returned to the Revenue Commissioners. Records in respect of these returns must be held for how many years?

- A)** 5 years ☐
- B)** 7 years ☐
- C)** 6 years ☐
- D)** 4 years ☐

Q7

10 Marks 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?

- 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 ☐

20 Marks

List five goods, the carriage of which does not require a National Road Haulage Operator Licence.

[illegible]

20 Marks Give five (5) examples as to how a road transport company might market its services

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run horizontally across the page. A large, light gray diagonal watermark reading "SAMPLE" is visible across the center of the page.

20 Marks Outline the 5 main duties of a Director.

[illegible]

20 Marks	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.
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[illegible]

20 Marks Outline the procedures for a transport company when transferring the ownership of a commercial vehicle.

SAMPLE

20 Marks List and describe in detail four (4) means of terminating an agency agreement.

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20 Marks What is meant by the term JIT? What are its effects on the road transport industry?

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Q15

20 Marks

CASH FLOW BUDGET

Taking the cash flow budget outlined below, answer the following questions:

- a. From the figures given calculate the balance on the last line of the table and fill in the values in the boxes setting out the balances below.

(8 Marks)

	Feb	Mar	Apr	May	Jun
	€	€	€	€	€
BALANCE AT START					
	+3800				
Expenditure					
Fuel	1000	1200	1500	1300	1500
Wages/Salaries	2500	2500	2500	2500	2500
Loan Repayment	450	450	450	450	450
Licences					
Insurance	600	600	600	600	600
Maintenance	1000	-	250	-	200
Postage	50	60	50	50	60
Telephone	-	100	-	-	120
Miscellaneous	300	400	200	300	500
TOTAL	5900	5310	5550	5200	5930
Receipts					
Haulage/Passenger Revenue	4000	5000	2000	6000	10000
TOTAL	4000	5000	2000	6000	10000
Balance					

- b. Set out the factors that gave rise to a negative balance in April. (6 Marks)
- c. Advise three steps you could take to offset the negative balances. (6 Marks)
- (Total 20 marks)

Section B

Section B contains 3 questions.

Candidates **MUST** attempt Question 1 and **one** other Question (either Question 2 **OR** Question 3)

Question 1 is compulsory and carries 150 Marks.

***Questions 2 and 3 (from which you must answer one)
both carry equal marks - (50 marks)***

Please Note

If you commence either question 2 or 3 and then decide to change to the alternative **YOU MUST STRIKE THROUGH** the question you do not wish to be marked. Failure to strike through a question will result in the corrector marking **QUESTION 2 ONLY.**

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

Q1

150 Marks

Your company operates a fleet of 20 rigid vehicles. The company is based in Dublin. The rented depot in North Dublin, close to the M50, is adjacent to its main customer ABC Products Ltd.

As Transport Manager, you are asked to provide a quotation to ABC Products for the delivery of 14 standard pallets from your Dublin depot to Letterkenny (230 kilometers away) and to collect another 14 pallets from the site in Letterkenny for the return journey back to your depot in North Dublin. Allow 45 minutes for loading the vehicle in Dublin. Offloading (45 mins) and re-loading (45 mins) in Letterkenny will take approximately 1.5 hours and allow 45 minutes for offloading in Dublin. The loading in Letterkenny will be carried out by the customer and the driver will not be involved. The driver will be involved in the loading of the vehicle at Dublin offloading in Letterkenny and the unloading in Dublin, releasing and securing the load and operating the curtains

Factor into the journey appropriate time for prestart checks and breaks to ensure the journey is carried out in a fully compliant and efficient manner.

Costs

Driver – paid €16 per hour and guaranteed 48 hours per week. Receives 4 weeks annual holidays and is paid for bank holidays. Holiday pay is at 40 hours per week, bank holiday pay is the same as if he/she were working. The employer pays PRSI at 11.5%. Employer Liability Insurance is estimated at 0.9%. Add in €1,500 per annum to cover training, uniforms, telephone allowance and sundries.

Vehicle

The lease cost on each vehicle including maintenance is €20,000 per annum. Add Insurance for each vehicle at €5,500 per annum, road tax is €900 per vehicle per annum, vehicle washing is €1,200 per annum and other or sundry €800 per annum.

Overheads

The total annual cost of overheads across all operations including office staff, transport manager, insurance, depot rental, audit fees and other fixed costs is €160,000

Running cost

The average fuel consumption is 3 kms per litre and the current cost of fuel is €1.05 per litre. Tyres for the vehicle are estimated at €0.04 per kilometer

A. Calculate

Time needed to undertake the round trip. (15 Marks) (Please clearly set out your assumptions)

B. Calculate

Cost per hour for the driver (25 Marks)

Cost per hour for the truck (20 Marks)

Cost per hour for overheads (10 Marks)

Cost per kilometer for fuel and tyres (10 Marks)

C. Using the above costs calculate the cost of the round-trip, Dublin – Letterkenny

– Dublin. Include a suitable gross profit margin. (20 Marks)

D. If there was a delay of 2 hours at the customer site in Letterkenny, what additional charge would you raise against the customer? (10 Marks)

Continued on Next Page

150 Marks

SAMPLE

Q2

50 Marks

Write an essay on depreciation covering the following headings:

- A. What is depreciation
- B. Rationale for transport managers to allow for depreciation
- C. Effect of depreciation on cash flow.
- D. The common methods used to calculate depreciation

SAMPLE

50 Marks Write an essay on insurance in the context of the important part it plays in a transport operation business from a compliance, competitive and business continuity perspective. Taking account of the operations of your transport company, outline four types of policies you would have in place and what they would cover.

SAMPLE