



**The Chartered  
Institute of Logis  
and Transport**

**CILTHK**

# **Quality Assurance Handbook**

**QUALITY ASSURANCE HANDBOOK**

**OF**

**THE CHARTERED INSTITUTE**

**OF LOGISTICS AND TRANSPORT IN HONG KONG**

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## **1. BACKGROUND**

The Chartered Institute of Logistics and Transport in Hong Kong (CILTHK) is the professional body for those who are engaged in transport and logistics – including all sectors of the industry, namely air, sea and land, for both passengers and freight transport. It has a long history tracing back to 1919 when the Institute of Transport was established in the United Kingdom. Its Royal Charter status was granted in 1926. The Chartered Institute of Transport (CIT) first set up the Hong Kong Branch in 1968. On 1 October 1991, the Hong Kong Section was upgraded to Territorial Organisation (formerly called National Council) status and renamed the Chartered Institute of Transport in Hong Kong (CITHK). This change gave CITHK the authority to handle institute matters independently whilst sharing common agreed standards. In recognition of the fact that the fields of transport and logistics are complementary and highly interdependent and have a big overlap of activities and competence, the Institute was renamed CILTHK in late 2001. Its vision is to be recognised as the leading worldwide source and assurance of excellence of transport and logistics professionals. Its membership currently stands at around 1,800 and they work in a wide range of transport and logistics industries including shipping, logistics, airline, railway, road, public transport, government and consultancy.

## **2. THE ACCREDITATION SYSTEM**

### **2.1 Aims and Objectives**

2.1.1 To facilitate CILTHK to achieve its vision, an accreditation system was established. It aims to:

- a) Accredit any local logistics- or transport-oriented programmes which fully or partially meet the education requirements for Chartered Membership of the Chartered Institute of Logistics and Transport (CMILT) (The standard set for the Professional Qualifying Examination) of the CILTHK is that of an honours degree level);
- b) To inform members about the procedures for accrediting educational programmes for Chartered Membership;
- c) To establish a procedure for accreditation which is accessible to all students and to ensure common educational standards;
- d) To provide guidelines on Continuing Professional Development for members to upgrade themselves with the latest developments in transport and logistics.

### **2.2 The Accreditation Structure**

2.2.1 Local courses/programmes should be accredited by CILTHK.

2.2.2 CILTHK accredits local university and other tertiary level institution courses/

programmes which fully or partially meet the key knowledge areas for Chartered Membership.

- 2.2.3 The accreditation validity period is normally:
- for a three year period for a partially exempted programme, or
  - for a five year period for a fully exempted programme
- although it can be for a shorter period.

No matter how/when the CILTHK Professional Qualifying Examination syllabus (educational requirement for Chartered Membership) was changed, the awarded exemption qualification known to students on their enrollment for the recognised programme should not be affected.

### **3. THE QUALITY ASSURANCE COMMITTEE**

#### **3.1 Composition and Appointments**

- 3.1.1 A Quality Assurance Committee (QAC), consisting of a chairperson and at least four other members, including at least one academic from a university or other tertiary institution and one Fellow member (FCILT), shall consider the contents of the qualification, the level and the assessment methodology of courses/programmes applying for accreditation to CILTHK.

- 3.1.2 The QAC is made up of the following members:

- |                   |   |
|-------------------|---|
| Chairperson:      | • A full Professor appointed by the President of CILTHK                             |
| Members:          | • Chair of the Education and Training (E&T) Committee or his/her representative     |
|                   | • One Fellow of CILTHK (FCILT)  |
|                   | • CMILT or above to be invited at the discretion of the Quality Assurance Committee |
| Co-opted members: | • Other members from the Council of the Institute as deemed necessary               |

Members are expected to attend at least 50% of committee meetings.

- 3.1.3 Terms of Office
- Members are appointed for 2 years each time and may be re-appointed.
  - At least half of the members are invited to continue in the next term of office to provide continuity.
- 3.1.4 Quality Assurance Meetings
- The Committee shall meet bi-monthly.
  - The quorum shall not be less than 3 members

### **3.2 Terms of Reference**

3.2.1 The QAC directly reports to the President of the CILTHK.

3.2.2 The QAC is charged with the duties for programme-based accreditation as specified in this Handbook.

- To oversee the implementation of the quality assurance system set up by the Council of CILTHK in relation to education and training.
- To accredit any local logistics- or transport-oriented programmes which fully or partially meet the education requirements for Chartered Membership of the Chartered Institute of Logistics and Transport (CMILT) (The standard set for the Professional Qualifying Examination of the CILTHK is that of an honours degree level).
- To inform academic institutions about procedures for accrediting educational programmes for (CILT) Membership

## **4. PROGRAMME-BASED ACCREDITATION**

The following formalities for accredited exemptions are applicable to qualifications awarded by universities and other professional bodies.

### **4.1 Requirements**

4.1.1 In summary the minimum requirements for accreditation are:

- a) Approval of syllabus and course contents;
- b) Approval of assessment methodology, requiring for example the submission of examination questions for moderation;
- c) Satisfy QAC that appropriate quality assurance procedures are in place, such as independent invigilation and independence in the marking of examinations;
- d) Submit marked examination scripts to QAC when required, to ensure consistency of standards;
- e) Minimum of four papers for partial accreditation
  - Any application on a new programme lodged after 1<sup>st</sup> July 2006 shall have to be at least a minimum of 4 papers as set in the QAC Handbook.
  - Any applications for renewal on existing programmes with less than 4 papers shall be accepted.

4.1.2 Accreditation is carried out mainly through consideration of the documents on the programme.

4.1.3 New programmes can be considered prior to implementation, in parallel with the awarding institution's own internal accreditation process. Existing programmes can

- be accredited at any stage in their life.
- 4.1.4 Exemption status for membership of the Institute normally applies to any student intakes during the period of accreditation, but retrospective recognition can be granted to earlier student intakes provided that the programme was the same as when it was being accredited. Should this be the case, the earlier student intake(s) eligible for exemption will be clearly indicated in the accreditation letter.
- The confirmation letter for a successful accreditation application would be stated clearly with the period of accreditation from mm-yyyy to mm-yyyy.
- 4.1.5 Accreditation will normally be for a period that coincides with the awarding institution's own review cycle, although accreditation may be for a shorter period at the discretion of QAC.
- 4.1.6 When accrediting qualifications, the CILTHK will be looking at four areas:
- a) Course/Programme contents;
  - b) Level and standard;
  - c) Assessment methodology;
  - d) Teaching staff.
- 4.1.7 The course/programme contents should cover three broad areas as a minimum:
- a) Business knowledge;
  - b) Technical issues related to specific types of operation and modes of transport;
  - c) The regulatory and policy framework.
- 4.1.8 The course/programme contents should cover the key knowledge areas as defined by the International Council of the Chartered Institute of Logistics and Transport for Chartered Membership. It is normally expected that an undergraduate degree course gaining full accreditation will have at least 70% coverage of the detailed content. Certain subjects such as those on human resources management and finance may be considered as generic and need not relate specifically to logistics and transport.
- 4.1.9 The course/programme structure should include a project or dissertation at second or final year level and this should normally be on a logistics- or transport-related topic. This is particularly important where the course is not logistics- or transport-specific, but a pathway on a more general course.
- 4.1.10 Where large numbers of option choices are offered in a programme, it may be necessary for the CILTHK to specify particular subjects that must be taken in order for graduates to be granted admission to Chartered Membership.
- 4.1.11 For full accreditation, the programme level is expected to be at least that of an honours degree. This applies to both course contents and the assessment process. Although the programme may be fully accredited, admission to Chartered status will only be granted to those graduates with at least lower second class honours.

- 4.1.12 Partial exemption (especially for sub-degree level programmes): an award of a maximum of 6 subjects shall normally be granted for partial exemption application. Only in very exceptional circumstances shall an application for more subjects be considered.
- 4.1.13 Postgraduate courses are usually narrower and more specific in scope and issues relating to contents are of greater concern than those relating to the level or assessment methods of the courses. When granting admission to Chartered Membership it may be necessary to consider the contents of previous study or the transport- and/or logistics-related Master degree dissertation, as this may contribute breadth that is lacking in a postgraduate course. Postgraduate Diplomas where there is a pass, as well as Masters degrees, may also be accredited.
- 4.1.14 The following issues should be considered with respect to assessment:
- a) what combination of assessment methods is used, and in what balance e.g. examination versus assignment;
  - b) whether all assessed elements must be passed separately;
  - c) the process used for examination re-sits and coursework resubmission;
  - d) the grading criteria for individual units and the complete award in relation to the Institute's own benchmark of 50%;
  - e) where group assignments are used, the individual assessment elements involved.
- 4.1.15 It would normally be considered essential that some examination assessment should be included, particularly at final level.
- 4.1.16 It is mandatory that at least one member of the full-time teaching staff team had acquired the Chartered Membership of CILT or above, effective from 16<sup>th</sup> October 2017. The afore-mentioned arrangement is expected not to change throughout the term of the accreditation. Furthermore, the programme leader/co-ordinator is preferable to be a Chartered Member of CILT or above. This would apply to existing accredited programmes upon renewal.
- 4.1.17 Programme leaders of CILTHK accredited courses shall have to complete an Annual Return (see Appendix E) to confirm/update on the following aspects of the courses:
- Course structure
  - Syllabus
  - Subjects
  - Student statistics
  - Staff (the requirement of at least one teaching staff should be a CMILT)

## **4.2 Application Procedures**

- 4.2.1 A local logistics- or transport-oriented programme offered by the tertiary institutions in Hong Kong may apply for full or partial exemption of the education requirements for CMILT.
- 4.2.2 To obtain recognition from CILTHK for a course, the institution concerned has to



apply to the QAC. The QAC will meet to review the course/programme in order to make the final decision.

New applications should be lodged with the CILTHK Office at least 6 months before the admission of a recognised cohort. The process time (assessment by CILTHK) will be completed within 6 months.

4.2.3 As a guide to applying institutions/organisations, the following is a list of specific items of information that are required:

- a) Course structure, including number of units to be taken, core and option units;
- b) Details of unit content for core units and all relevant options;
- c) Methods of assessment for each unit and the grading criteria;
- d) Recommended reading lists for each unit;
- e) Brief curriculum vitae of course team members;
- f) Requirements for entry to the programme;
- g) Overall grading criteria for the award.

4.2.4 The institutions/organisations shall obtain a form of “Application for Accreditation” from CILTHK (see Appendix B) and use it for submission to the QAC for accreditation.

4.2.5 The course document usually provides all the information that is needed to make a decision on accreditation.

4.2.6 QAC members shall make assessments and the results of the assessments shall be discussed in a QAC meeting.

For partial exemption, accreditation is carried out mainly through consideration of the programme document (QAC Handbook 4.1.2).

For full exemption, an accreditation visit will be conducted (QAC Handbook 4.4).

4.2.7 The institution concerned will be informed in writing of the final decision recommended by the QAC.

4.2.8 Applying institutions/organisations are required to pay a fee upon initial application for accreditation, which is non-refundable. (Please see Appendix C for Fee Schedule)

### **4.3 Renewal Procedures**

4.3.1 Accredited programmes should apply to the QAC for renewal at least six months before the expiry date.

4.3.2 Changes in three key areas of course/programme contents, level, and assessment methodology should be reported in any renewal application (see paragraphs 4.1.6 to 4.1.13).

- 4.3.3 If there are no or only very minor changes in the course/programme, the institutions/organisations shall indicate in the form of “Application for Accreditation” (see Appendix B) and use it for submission to the QAC for renewal of accreditation.
- 4.3.4 If there are substantial changes in the course/programme, the institutions/organisations shall indicate in the form of “Application for Accreditation” (see Appendix B) and use it for submission to the QAC for accreditation.
- 4.3.5 QAC members shall make independent judgment about the nature of changes in the course/organisation
- 4.3.6 As a guide to applying institutions/organisations, the following is a list of changes that are considered substantial:
- a) Change in the course/programme title;
  - b) Change in the level of the programme;
  - c) Change in the mode of delivery of the course/programme;
  - d) Change in the course/programme structure, for example, the deletion and addition of courses;
  - e) Change in the assessment methods of the course/programme (half of the accredited courses/programme);
  - f) Change in the teaching staff of the course/programme (half of the accredited courses/programme).
- 4.3.7 The institution concerned will be informed in writing of the final decision recommended by the QAC.
- 4.3.8 Applying institutions/organisations are required to pay a fee upon initial application for re-accreditation, which is non-refundable. (Please see Appendix C for Fee Schedule)

#### **4.4 Accreditation Visit Procedures**

- 4.4.1 The aim of an accreditation visit is to accredit transport- or logistics-related courses which are applying for full or partial exemption of the CILTHK Professional Qualifying Examination.
- 4.4.2 Visits are usually made once every 5 years when a university or any tertiary education institute which provides the transport- or logistics-related courses (hereafter, the Institute) submits a new or renewal application for full exemption accreditation.
- 4.4.3 An Accreditation Board (hereafter, the Board) will be set up to conduct the accreditation visit. The Board shall consist of a minimum of two QAC members and one professional from the industry. The QAC will appoint a member of the Board to be the chair of the Board.
- 4.4.4 CILTHK administration will provide coordination between the Board and the Institute. It will be responsible for drafting the programme of the Visit with the

agreement of the Board and the Institute, receiving documents submitted by the Institute, and distributing them to the Board Members.

4.4.5 A checklist of the documents to be submitted to the Institute for the Accreditation visit is shown in Section F in the form of “Application for Accreditation” (see Appendix B).

4.4.6 A typical schedule of the arrangements of an Accreditation visit is shown below:

	The Institute
6 months prior to the Visit	Submits a formal application for accrediting new or existing course(s)
3 months prior to the Visit	Alerts relevant parties; Head of Institute to ensure the availability of Vice-Chancellor/Director during the Visit
2 months prior to the Visit	Confirms Visit arrangements
4 weeks prior to the Visit	Prepares a full set of documentation (refer to Section F in the form of “Application for Accreditation” (see Appendix B) to the CILTHK administrator
3 weeks prior to the Visit	Provides additional information, if required
2 weeks prior to the Visit	Sends a commented draft rundown of the Visit to the CILTHK administrator.

4.4.7 During the accreditation period (or possibly a shorter period), a mid-point visit may be arranged with the Institute. This will preferably involve the original Board Members and will normally be a half-day visit. Important documents such as those showing the latest student performance are to be provided to the Board before the visit.

4.4.8 The results of the Accreditation visit will be made known to the Institute 1 month after the Visit. A confirmation letter together with a brief report on the Accreditation visit will be sent to the Institute.

## **4.5 Provisional Exemption**

4.5.1 Provisional exemption will be granted for new courses or programmes which seem likely to meet the appropriate criteria on their first application with CILTHK.

4.5.2 Courses are exempted/accredited only when at least one cohort of students has graduated, since it is the final standard achieved which determines whether the course is appropriate for exemption or accreditation.

4.5.3 After receiving the provisional exemption, the academic institution shall have to apply to CILTHK for accreditation after completing half-way of the programme with a documentary submission containing :

- a) Update of the application if there is any change since the last submission
- b) Details of the assessment methodology & overall passing rate in internal

- examinations of students
  - c) Examination papers and marking schemes
  - d) Samples of answer scripts
  - e) Samples of final year project (if applicable)
  - f) External Examiner's Report (if applicable)
  - g) Programme review/validation/monitoring reports compiled by the internal quality assurance unit of the institution or external accreditation/validation bodies (if applicable)
- 4.5.4 If institutions/organisations do not apply for accreditation at least upon completing half of the programme, the Provisional Exemption will be lapsed.
- 4.5.5 If the standard achieved meets with CILTHK requirement for granting of accreditation, it will be backdated to the provisional exemption so that students accepted onto provisional courses are protected.

#### **4.6 Appeal Procedures**

- 4.6.1 The institution/organisation which is dissatisfied with the decisions of the QAC may write to the Appeal Board stating clearly its reasons for appeal.
- 4.6.2 A fee will be charged to applicants and once paid it is non-refundable.
- 4.6.3 The Appeal Board shall consist of 2 to 4 Council members.
- 4.6.4 The Appeal Board shall consider the case in view of the reasons given by the institution/organisation appealing about the decision made. If the appeal case was found to have sufficient grounds, the Board may request QAC to re-consider the application. If not, the Appeal Board shall inform the applicant that the decision would not be changed.
- 4.6.5 If the subsequent decision of the QAC is not to change its decision, it must satisfy the Appeal Board with reasons for not granting the accreditation. Otherwise, the decision shall be changed.
- 4.6.6 The Appeal Board shall inform the applicant about its decision within one month after it received the application.
- 4.6.7 If the institution/organisation is dissatisfied about the decisions of the Appeal Board, it may write to the Council stating clearly its reasons for further appeal. An additional fee will be charged and once paid it is non-refundable.
- 4.6.8 The Council shall consider the case and inform the applicant about its decision within one month after it received the application.
- 4.6.9 The decision of the Council will be final.

#### **4.7 Accreditation Fee**

4.7.1 Fee schedules on new applications and renewal applications are listed in Appendix C.

4.7.2 General principles:

- A fee will be charged upon new/renewal application irrespective of the final judgement, (successful or not);
- Re-application is to be treated as a new application and therefore the same fee scale as a new application will be imposed;
- The accreditation will be conducted in Hong Kong and therefore the fee scale does not include any out-of-town travelling expenses;
- All relevant fees are to be paid in Hong Kong and in local currency (HKD).

#### **4.8 Confidentiality**

4.8.1 CILTHK treats the work of the programme accreditation as confidential. No reports or minutes of meetings will be shown to anyone with the exception of members of the Quality Assurance Committee or of the Accreditation Panel, Council Members or designated members of CILTHK in the case of an appeal.

4.8.2 To provide assurance to the public, every QAC member and invited assessor for programme-based accreditation application shall sign an undertaking (Appendix D).

#### **4.9 Consideration of Conflict of Interest**

4.9.1 To avoid perceptions of bias, and to ensure the integrity of the quality assurance system, it is essential that conflicts of interest be avoided. The QAC requires assessors/visiting board members to declare any matters that could lead to a conflict of interest in being appointed to a particular assessment panel.

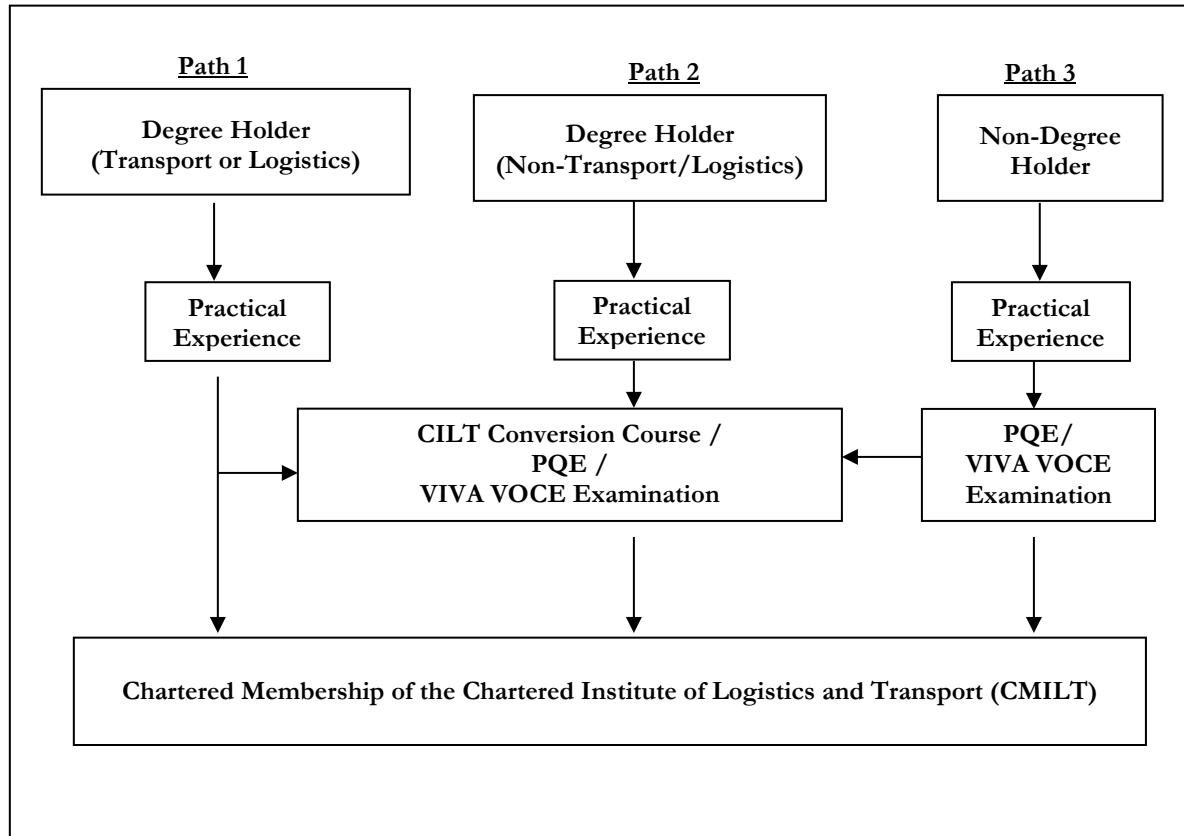
4.9.2 Circumstances in which a conflict of interest may exist or be perceived include the following:

- The assessor is a full-time employee of the institution applying for programme-based accreditation.
- The assessor is a graduate of the institution.
- Universities and their external arms in the following two groups that their graduates and staff are regarded of one organisation structure and to be considered having conflict of interest:
  - (i) HKU and HKU SPACE
  - (ii) PolyU and HKCC PolyU and SPEED PolyU

4.9.3 Full-time staff and part-time staff such as teaching staff, advisor, assessor, etc. who has left the institution for at least five (5) years will be cleared of having a conflict of interest.

4.9.4 Assessors are asked to declare before appointment to a particular panel whether there are any circumstances, including but not limited to the above 4.9.2, which could lead to a conflict of interest.

## Appendix A Professional Qualification Programme



Remarks: PQE is CILTHK Professional Qualifying Examination

## APPLICATION FOR ACCREDITATION

### Section A: Programme Information

<b>Programme Title:</b>	
<input type="checkbox"/> Normal Intake	<input type="checkbox"/> Senior Intake
<input type="checkbox"/> Full-time	<input type="checkbox"/> Part-time
<input type="checkbox"/> Top-up degree	<input type="checkbox"/> Mixed Mode
<b>Qualification Obtained:</b>	
<b>This is a:</b> <input type="checkbox"/> a new application <input type="checkbox"/> a renewal application <input type="checkbox"/> a renewal application (substantially revised version of a previously accredited programme) <input type="checkbox"/> a submission for recognition of provisional exemption	
<b>Expected date of first graduation (for new programme) or next graduation:</b>	
<b>Expected date of next internal review:</b>	
<b>*This programme replaces (if any):</b>	
<b>*Date of last graduation from the old programme (if any):</b>	
<b>Accreditation applied for:</b> <input type="checkbox"/> Full exemption <input type="checkbox"/> Partial exemption If tick partial exemption, please specify the subjects/titles applied for granting exemption, e.g. Transport Policy and Planning	

### Section B: Institution & Department Information

<b>Name of Institution:</b>	
<b>Name of Department offering the programme:</b>	
<b>Address:</b>	
<b>Name of Contact:</b>	
<b>Telephone:</b>	<b>Fax:</b>
<b>Email:</b>	

Please provide a brief description of the Department.

### **Section C: Modules**

Please list all units/modules in the programme and indicate which units/modules are optional.

<b>Unit/Module Code</b>	<b>Unit/Module Name</b>	<b>Core/Elective</b>



## Section D: Teaching Staffs' Information

Please list the name of all full-time and part-time teaching staffs who are involved in the programme and provide the respective attachment number, corresponding to their short CVs that you will attach with the application form.

### Lecturers' Information:

Unit/Module	Name of Lecturer	Full-time/ Part-time	Attachment No.

### Tutors' Information

Unit/Module	Name of Tutor	Full-time/ Part-time	Attachment No.

## Section E: External Examiners' Information

Please list the names of external examiners who are involved in the programme and provide the respective attachment number, corresponding to their short CVs that you will attach with the application form.

Unit/Module	Name of External Examiner	Attachment No.

## Section F: Required Documents

Please tick the appropriate boxes and provide the respective attachment number, corresponding to your submitted documents that you will attach with the application form.

	Attachment No.	For office use only
<input type="checkbox"/> Programme structure		<input type="checkbox"/>
<input type="checkbox"/> Subject syllabuses		<input type="checkbox"/>
<input type="checkbox"/> Course descriptive contents which include a description of courses, duration, contact hours, etc.		<input type="checkbox"/>
<input type="checkbox"/> Reading lists		<input type="checkbox"/>
<input type="checkbox"/> Entry requirements a) Normal Year Students b) Senior Year Intake		<input type="checkbox"/> <input type="checkbox"/>
<input type="checkbox"/> Assessment methods/requirements		<input type="checkbox"/>
<input type="checkbox"/> External examiner's reports for the past 3 years (If no external examiner is appointed, the internal quality assurance procedure of the programme should be provided.)		<input type="checkbox"/>
<b>Facilities</b>		
<input type="checkbox"/> a) Lecture rooms, seminar rooms, workshops		<input type="checkbox"/>
<input type="checkbox"/> b) Library/Resource Centre		<input type="checkbox"/>
<input type="checkbox"/> c) Computer facilities		<input type="checkbox"/>
<input type="checkbox"/> d) Laboratories/Equipment		<input type="checkbox"/>
<b>Statistics on</b>		
<input type="checkbox"/> a) Student admission qualification		<input type="checkbox"/>
<input type="checkbox"/> b) Course enrolment		<input type="checkbox"/>
<input type="checkbox"/> c) Student performance		<input type="checkbox"/>
<input type="checkbox"/> d) Graduate employment		<input type="checkbox"/>

## **Section G: Trends & Developments**

**Please provide a summary on the recent and likely future trends and developments of the programme.**

## Section H: Mapping with Syllabus of CILTHK's Professional Qualifying Examination (PQE 2017)

Please list all units/modules in the programme which match the syllabus of CILTHK's PQE and indicate their extent of coverage.

Syllabus	1. Course Code/Title	i. Coverage (%)	2. Course Code/ Title	ii. Coverage (%)	Total Coverage (%) (i + ii)
<b>Ordinary Level</b>					
<b>OL1 – Business Environment for Transport and Logistics</b>					
a.	Overview of Transport, Logistics and Supply Chain				
b.	Transport and Logistics Systems – Elements and their Interrelationships				
c.	Passenger Transport and Transport Planning				
d.	Regulating and Control of Transport and Logistics System				
Average Coverage (%)					
<b>OL2 – Financial Management &amp; Reporting for Transport and Logistics</b>					
a.	Accounting Framework				
b.	Financial Statements and Reports				
c.	Cost Accounting Systems & Techniques				
d.	Budgeting				
e.	Project Evaluation & Lease Financing				
f.	Information Technology Applications				
Average Coverage (%)					

Syllabus		1. Course Code/Title	i. Coverage (%)	2. Course Code/ Title	ii. Coverage (%)	Total Coverage (%) (i + ii)
<b>OL3 – Marketing and Service Management</b>						
a.	Understand Services and Marketing					
b.	Marketing Environment & Marketing Policy					
c.	Market Characteristics & Market Research					
d.	Service Management & Service Quality					
e.	Social & Ethical Issues in Marketing					
f.	Developing Customer Relations & Customer Satisfaction Measurement					
Average Coverage (%)						
<b>OL4 – Management and Decision Making</b>						
a.	Basic Concepts & Theories on Management					
b.	Developing Organisation Strategies					
c.	Planning & Decision Making					
d.	Measuring Performance & Innovation					
e.	Project Management & Negotiation					
f.	Leadership, Motivation & Development of People					
g.	Productivity, Quality & Operations Management					
h.	Managing Information Systems					
i.	Business Ethics and Corporate Social Responsibility/ <b>Environment Social and Governance</b>					
Average Coverage (%)						

Syllabus		1. Course Code/Title	i. Coverage (%)	2. Course Code/ Title	ii. Coverage (%)	Total Coverage (%) (i + ii)
<b>Advanced Level</b>						
<b>AL1 – Law of Business and Carriage</b>						
a.	Legal Systems					
b.	Law of Contract					
c.	Law of Negligence					
d.	Law of Agency					
e.	Law of Carriage					
f.	Arbitration					
g.	Insurance					
Average Coverage (%)						
<b>AL2 – Transport Systems and Management</b>						
a.	Transport Systems					
b.	Transport Modes & Operational Characteristics					
c.	Transport Management					
d.	International & Local Regulatory Bodies					
Average Coverage (%)						

Syllabus		1. Course Code/Title	i. Coverage (%)	2. Course Code/ Title	ii. Coverage (%)	Total Coverage (%) (i + ii)
<b>AL3 – Sustainable Transport</b>						
a.	Understanding Sustainability					
b.	Social Sustainability in Transport					
c.	Economic Sustainability in Transport					
d.	Environmental Sustainability in Transport					
Average Coverage (%)						
<b>AL4 – Transport Policy and Planning</b>						
a.	Government and Politics in Relation to Transport					
b.	Transport Strategy and Policy Formation & Implementation					
c.	Transport Planning					
d.	Transport & Development Patterns					
e.	Transport, Land-Use and Travel Behaviour					
Average Coverage (%)						

Syllabus		1. Course Code/Title	i. Coverage (%)	2. Course Code/ Title	ii. Coverage (%)	Total Coverage (%) (i + ii)
<b>AL5 – Global Supply Chain Management</b>						
a.	Transport & Supply Chain Management					
b.	Business Environment & Management of Global Supply Chain					
c.	Procurement, Warehousing, Inventory & Operations Management					
d.	Containerisation, Unit Loads & Intermodal Transport					
e.	Globalisation of World Economy & Supply Chain Strategy					
f.	Alliance, Synergy & Integration of Global Supply Chain Operations					
g.	Technological Development in Supply Chain Management					
h.	Future Challenges and Issues					
Average Coverage (%)						
<b>AL6 – Logistics Management</b>						
a.	Introduction to Logistics					
b.	Global Trade Logistics					
c.	Movement of Goods					
d.	Managing the Inbound Logistics & Purchasing in the Organization					
e.	Managing the Outbound Logistics					
f.	Customer Care & Service Quality					
g.	Organising for Logistics Effectiveness					
Average Coverage (%)						



Syllabus		1. Course Code/Title	i. Coverage (%)	2. Course Code/ Title	ii. Coverage (%)	Total Coverage (%) (i + ii)
<b>AL7 – Warehousing and Materials Handling</b>						
a.	The Role of Warehousing in Logistics Management					
b.	Facility Development					
c.	Warehouse Operations					
d.	Materials Handling Equipment & Packaging					
e.	Enabling Technology for Warehouse Management					
Average Coverage (%)						

## Section I: Assessment Methods

	Yes	No
Units above preliminary level are assessed at least partly by examination	<input type="checkbox"/>	<input type="checkbox"/>
Award of the qualification requires an aggregate mark of at least 70%	<input type="checkbox"/>	<input type="checkbox"/>
If group assignments are used, the contribution of each individual is identifiable	<input type="checkbox"/>	<input type="checkbox"/>

## Section J: Other Information

If examinations are not used, which subjects are otherwise assessed and how?

Unit/Module	Portfolio	Homework	Project	Case Study	Others

## Section K: Comment

--

## Section L: Declaration

We declare that the information given above is correct and complete to the best of our available materials. We understand that if we wilfully give any false information in this application form or withhold any material information, it will render us liable to disqualification for accreditation application or to cancel, even already granted by CILTHK.

Signature:

Date:

## **Appendix C Accreditation Fees Schedule**

**(Effective from 1st January 2023)**

### **First Application**

- Application for Full exemption, HK\$30,000.00 per programme
- Application for Partial exemption with 6 papers or above, HK\$18,000.00 per programme
- Application for Partial exemption with less than 6 papers, HK\$4,500.00 per paper

### **Re-accreditation / Renewal Application**

- Application for Full exemption, HK\$22,000.00 per programme
- Application for Partial exemption with 6 papers or above, HK\$12,000.00 per programme
- Application for Partial exemption with less than 6 papers, HK\$3,000.00 per paper

#### *Notes:*

1. *Fee shall be paid in full in Hong Kong Dollars together with the submission of the application.*
2. *Fee is not refundable irrespective of the final judgment of the Application is successful or not successful.*
3. *The accreditation will be conducted in Hong Kong and therefore the fee scale does not include any out-of-town travelling expenses*

The fee for the programme-based accreditation covers:

- The fee relating to the application for full exemption will include a visit from CILTHK for application assessment purpose.
- The fee covers a period of accreditation up to a maximum of five (5) years for full exemption, and three (3) years for partial exemption.
- The right to state the name – The Chartered Institute of Logistics and Transport in Hong Kong, and use our logo whilst advertising the accredited programme.
- The right to use the phrase “CILTHK accredited programme” during the period of accreditation.

As a requirement of the accreditation, each year, the University/College will be asked to provide an annual return on any change of the programme and number of students/graduates on/from the accredited programme. Students should be encouraged to enroll as Student Members/Affiliates of CILTHK for the duration of the programme, and graduates for eligible membership grades.

CILTHK will promote the programme as a CILTHK accredited programme on our website.

Version 20230101

## **Appendix D Confidentiality Undertaking**

Dear [QAC Member],

I am writing to inform you of your obligations in being a member of the CILTHK Quality Assurance Committee member and/or an assessor with respect to the confidential handling of programme information originating from any application for programme accreditation with the Chartered Institute of Logistics and Transport in Hong Kong.

It is acknowledged that when assessing an application and/or conducting an accreditation visit to the applying academic institute, you might have to access such confidential data in relation to the academic institute, their staff, students and graduates. You must be aware of the importance of observing and protecting their confidentiality when you are paying the visit and/or accessing their data provided in their application document.

You must limit access to such information to that strictly required for carrying out tasks in relation to the assessment of the programme accreditation application and to keep any such information confidential. When you obtain copies of data for programme accreditation purposes you must only do so within the scope of the accreditation, keeping such data secure and returning all copies to the CILTHK Office when the assessment is completed.

Yours sincerely,

Chairman, Quality Assurance Committee  
The Chartered Institute of Logistics and Transport in Hong Kong

---

I confirm that I have read this letter that I understand my obligations, and I agree to comply with them.

(Signed by QAC member)

Date

Dear [Assessor],

I am writing to inform you of your obligations in being an assessor with respect to the confidential handling of programme information originating from an application for programme accreditation with the Chartered Institute of Logistics and Transport in Hong Kong.

It is acknowledged that when assessing an application and/or conducting an accreditation visit to the applying academic institute, you might have to access such confidential data in relation to the academic institute, their staff, students and graduates. You must be aware of the importance of observing and protecting their confidentiality when you are paying the visit and/or accessing their data provided in their application document.

You must limit access to such information to that strictly required for carrying out tasks in relation to the assessment of the programme accreditation application and to keep any such information confidential. When you obtain copies of data for programme accreditation purposes you must only do so within the scope of the accreditation, keeping such data secure and returning all copies to the CILTHK Office when the assessment is completed.

Yours sincerely,

Chairman, Quality Assurance Committee  
The Chartered Institute of Logistics and Transport in Hong Kong

---

I confirm that I have read this letter that I understand my obligations, and I agree to comply with them.

(Signed by Assessor)

Date

## Appendix E Annual Return

### The Chartered Institute of Logistics and Transport in Hong Kong Annual Return of a CILT Accredited Programme

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#### General Information

1. Submission should be typed or completed in block letters and legible handwriting.
2. Please ensure that all information is accurate. If there is insufficient space, please give details on a separate sheet and attach it to this submission.
3. Submission will be held in strict confidence and the information provided will be used for programme-based accreditation purpose only in the Institute.
4. The completed form with the necessary attachments, should be returned to:  
Administration Office  
The Chartered Institute of Logistics and Transport in Hong Kong  
7/F Yue Hing Building  
103 Hennessy Road  
Wanchai  
Hong Kong
5. For correction of submitted materials or enquiries, please contact the Executive Manager of CILTHK at Tel: 2866-6336, Fax: 2866-6118 or E-mail: [em@cilt.org.hk](mailto:em@cilt.org.hk)/ [info@cilt.org.hk](mailto:info@cilt.org.hk).

#### SECTION A GENERAL INFORMATION

1) Programme Name:

2) Institution:

3) Faculty

4) Department:

5) CILT Accreditation:

☐ Full exemption

☐ Partial exemption

Current exemption from 1<sup>st</sup> intake in yyyy to last intake in yyyy

6) Academic Year:

☐ Full time

☐ Part time

Sep yyyy – Aug yyyy

## SECTION B

### PRESENT CONTACT PERSONS

	Head of Department/Institution	Programme Leader/Manager	Other Authorised Contact Person (if any)
Name			
Designation			
Phone			
Fax			
E-mail			

## SECTION C

### ADMISSION/ GRADUATION/ CILT MEMBERSHIP STATISTICS

Mode of Attendance	Admissions in 2021/2022				Graduates in 2022		
	CILT Program Y1	Non-CILT Program <sup>1</sup> Y1	Senior Intake <sup>2</sup> Y3	Total	CILT Program	Non-CILT Program <sup>1</sup>	Total
	(A)	(B)	(C)	(A)+(B)+(C)	(D)	(E)	(D)+(E)
Full-time							
Part-time							
Distance Learning							
Other							
<b>TOTAL</b>							

Note 1: Stream of specialisation other than Transport/Logistics under the Program specified at Section A, p.1.

Note 2: Senior Intake students are assumed to begin the study from Year 3; if it is not, please provide relevant information on p.4 of this form.

**(The following table to be completed by CILTHK Office)**

Students/Graduates being CILTHK Members in 2021/2022						
Student Member	Graduate Member	Affiliate Member	Member (MILT)	Chartered Member (CMILT)	Chartered Fellow (FCILT)	Total
(F)	(G)	(H)	(I)	(J)	(K)	(F)+(G)+(H)+(I) +(J)+(K)

## SECTION C

### **ENROLMENT in 2021 / CURRENT STUDENT STATISTICS in 2021/2022**

1) Mode of Attendance	Total number of Students											
	Year 1			Year 2			Year 3			Year 4		
	CILT Program	Non-CILT Prog <sup>1</sup>	Total	CILT Program	Non-CILT Prog <sup>1</sup>	Total	CILT Program	Non-CILT Prog <sup>1</sup>	Total	CILT Program	Non-CILT Prog <sup>1</sup>	Total
	(A)	(B)	(A)+(B)	(C)	(D)	(C)+(D)	(E)	(F)	(E)+(F)	(G)	(H)	(G)+(H)
Full-time												
Part-time												
Distance Learning												
Other												
<b>TOTAL</b>												
<b>2) Employment of students during study</b>												
Logistics												
Transport												
Government												
Education												
Engineering												
Manufacturing												
Trading/wholesale & retail												
Others												
<b>TOTAL</b>												

Note 1: Stream of specialisation other than Transport/Logistics under the Program specified at Section A, p.1.



## SECTION D

### **UPDATING OF PARTICULARS PREVIOUSLY REPORTED**

Please fill in only the relevant sections where aspects of the course have been changed during the reporting period. Please furnish necessary supporting documents and use separate sheets, where appropriate.

Item	Any Change	Updated Information (if any change)
1) Name of course	Yes / No	
2) Title of Award	Yes / No	
3) Mode of delivery	Yes / No	
4) Length of course	Yes / No	
5) Admission requirements	Yes / No	
6) Senior Intake	Yes / No	<i>If yes, please provide Admission Criteria.</i>
7) Course structure and content	Yes / No	
8) Completion requirement	Yes / No	
9) Weighting of assessment elements	Yes / No	
10) Teaching team	Yes / No	

## SECTION D

## UPDATING OF PARTICULARS PREVIOUSLY REPORTED (cont'd)

Item	Any Change	Updated Information (if any change)
11) Teaching staff with CILT membership <i>(CILTHK QAC HB 4.1.16)</i>		(please list the name(s) and their membership grade(s))
12) Quality assurance system	Yes / No	
13) External Examiner	Yes / No	
14) Accreditation by other professional body		<i>(please list the name of the professional body)</i>
15) Internal programme review		Last review (year):  Next review (year):

(1) Do you require CILTHK Presentation on your forthcoming Information/Orientation Date to your students?

Yes / No

*If yes, please provide further information*

(2) Is the University policy allowing automatically opting-in students of the programmes to be CILTHK Student/Affiliate Member?

Yes / No

*If yes, please provide the contact for coordinating the CILTHK membership registration for your students.*

(3) What kind of support and/or young member service is expecting from CILTHK for your students?

Signature

Name in Block Letters

Date

## Appendix F CILT International Key Knowledge Areas



The Chartered  
Institute of Logistics  
and Transport

# DRIVING KNOWLEDGE, DELIVERING QUALITY

Our Key Knowledge Areas



## Contents

Introducing the Key Knowledge Areas	3
How the Key Knowledge Areas link to professional development and career progression	4
The different ways of using the Key Knowledge Areas	5
– University sector	
– Qualification development	
– In-company programmes	
– Membership elections	
– Benchmarking and short courses / Continuing Professional Development	
The Key Knowledge Areas for Chartered Membership of CILT	12
– Overarching Customer and Continuous Improvement Principles	
– Core Generic Areas	
– Specialist Key Knowledge Areas	
Toolkit Resources and Support	See back cover
Where to go for help and advice	See back cover

## Introducing the Key Knowledge Areas (KKA)

The Chartered Institute of Logistics and Transport (CILT) is a global membership body with over 34,000 individual members in over 34 countries across the world. Each CILT body shares common standards for CILT membership. This document provides guidance on the Key Knowledge Areas for Chartered Membership (version 2017).

The KKA provide the benchmark for meeting the knowledge requirements for Chartered Membership (CMILT) of the Institute.

The KKA are used to provide the basis for the development of CILT qualifications and the accreditation of university degrees and in-company development programmes. Sometimes referred to as the Body of Knowledge, the KKA describe the concepts which make up the Institute's professional domain and footprint.

In developing and updating the KKA, it is important to ensure that the KKA do not date too quickly. They are written in a manner which can accommodate the rapid speed of change within the world of transport and logistics, and external factors which may impact on the profession.

The KKA must also reflect our global community and our international values.

There are four groups of Core Generic Areas which apply across the profession, whether an individual works in planning, management or any other sector within the transport and logistics industry. All areas are overarching by a customer facing approach.

These Core Generic Areas are complemented by eight Specialist Key Knowledge Areas (Technical Areas) as shown in the diagram below.

Additional guidance on how the Core Generic Areas can be interpreted in the context of the Specialist Areas will be developed and available in autumn 2017.

### Key Knowledge Areas Framework

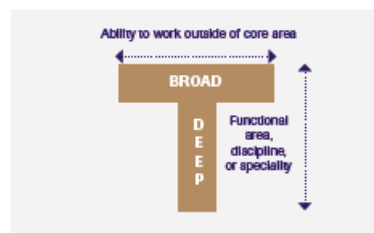
Customer Centric and Continuous Improvement Principles	
Core Generic Areas	Specialist Key Knowledge Areas
A. Integrated strategic planning, management and systems thinking	s1 Supply Chain Management
	s2 Operations Management
B. Efficiency, quality and risk	s3 Procurement and Supplier Management
	s4 Logistics Systems
C. Technology, analysis, adoption and monitoring	s5 Transport Infrastructure and Network Planning
	s6 Passenger Movement
D. Society, sustainability and the global community	s7 Freight Movement
	s8 International Trade and Transport



## How the Key Knowledge Areas link to professional development and career progression

As a global professional body, CILT needs to define what it expects individuals to *know*, particularly those entering the profession as a younger person or those moving across into a transport or logistics role later in their careers.

The KKA define both the *breadth* (Core Generic Areas) and *depth* (Specialist Areas) of knowledge expected as a professional matures, so that they can become rounded professionals. However, knowledge is only one aspect that we need to consider when electing individuals for assessed membership grades, as knowledge must be complemented by *experience* and *competence*.



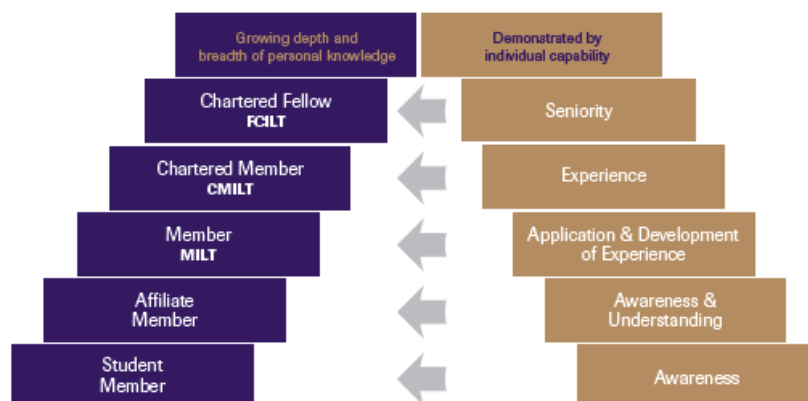
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When electing members to Chartered Membership, we would expect them to demonstrate a thorough knowledge of most, if not all, of the Core Generic Areas. In addition, it would also be mandatory for members to be able to demonstrate a detailed knowledge in at least one of these Key Specialist Areas.

The diagram below illustrates how the Key Knowledge Areas map to the different levels of CILT membership and the growing depth and breadth of knowledge that we would expect to see. For graduates and those learning through vocational qualifications, we would also expect to see a focus on enrichment of knowledge early on in their careers, moving into application later on.

When electing individuals to membership, applicants need to demonstrate that they have relevant experience and are competent to operate at the level for which they are applying. There are separate criteria dealing with experience and how this should be evidenced. Please refer to the International Membership Guidelines for more information.

### | Climbing the 'Knowledge Steps'– Applying Key Knowledge Areas to Professional Membership



## The different ways of using the Key Knowledge Areas

The KKA are used in several ways as explained in the diagram below.

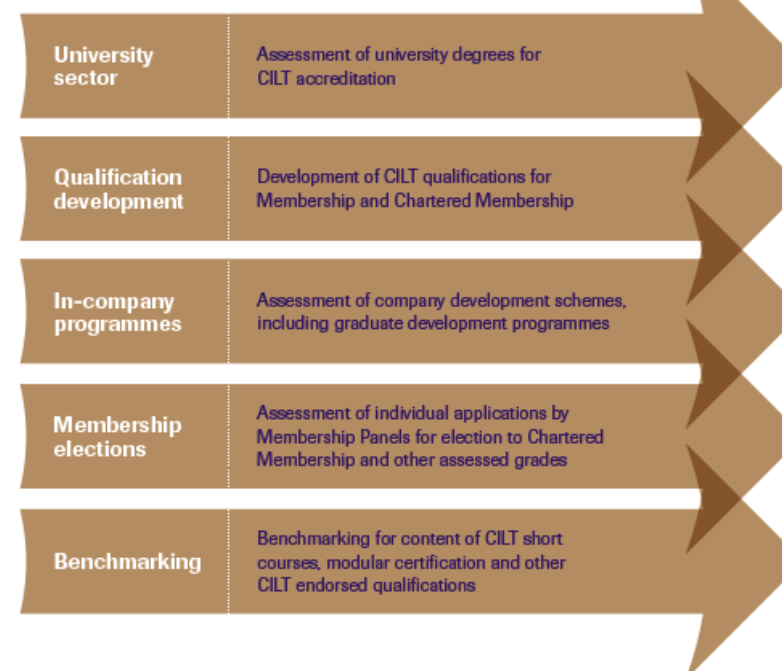
We expect there to be a clear and consistent mapping process evidenced in university accreditation, development of CILT qualifications and in-company programmes. This is to ensure that the relevant Key Knowledge Areas are covered in the development of new qualifications, or the reviewing of existing courses.

It is important to recognise that the Key Knowledge Areas are a global reference tool, and should be referred to when CILT country organisations are seeking governmental or ministerial approval of CILT programmes within their country.

The KKA underpin membership assessments. However as part of that separate process, the individual's relevant experience, competence and knowledge levels are reviewed as a whole.

For the final area of benchmarking the KKA provide a clear blueprint for education providers who wish to develop and deliver courses that adhere to CILT best practice and can qualify for CILT endorsement.

### | Explaining how the Key Knowledge Areas are used



## University Sector – Assessment of university degrees for CILT accreditation

Accredited university degrees offer exemption from the education requirements for Chartered Membership of CILT. The accredited programmes should provide for the development in depth of knowledge and skills in specific areas of logistics and transport or related areas.

Students graduating from CILT accredited degree courses gain one year's credit towards the experience requirement. Accredited sandwich degrees with an industrial placement year give two years' credit, as does the combination of an accredited first and higher degree. To qualify for exemption first degrees must be passed with a classification of at least second class honours.

It is normally expected that an undergraduate degree course gaining full accreditation will have at least **75%** coverage of the Institute's Key Knowledge Areas for membership. Postgraduate courses are usually narrower and more specific in scope, so the coverage of the KKA is likely to be more focused on a particular area therefore the **75%** coverage is not applicable.

CILT acknowledges that Bachelors, Postgraduate and Masters Degrees serve different purposes. There are also different definitions of Undergraduate and Postgraduate education across the world. For the purposes of the KKA we are treating UK Level 6 as **degree level** and UK Level 7 as **Postgraduate / Masters level**.

This is our benchmark but for any queries on this or other grades (eg MILT) please contact the International Professional Development team at [pd@ciltinternational.org](mailto:pd@ciltinternational.org)

If you are based in the UK please contact [pd@ciltuk.org.uk](mailto:pd@ciltuk.org.uk)

The programmes can also be delivered over different periods of time and via a range of mechanisms. This accreditation process recognises that:

- A Bachelors level degree delivers a systematic understanding of key aspects of the subject, including the acquisition of coherent and detailed knowledge, informed by current and relevant published academic research in the subject
- Bachelors graduates will be expected to have an ability to deploy accurately the established techniques of analysis and enquiry within the subject
- A Masters level degree delivers in-depth knowledge and understanding of the discipline informed by the highest standards of scholarship and academic research
- Masters graduates will demonstrate a high level of understanding of current issues in the subject and be able to critically evaluate their impact
- Masters graduates will be expected to demonstrate a range of techniques and research methods

CILT supports the development of degree programmes with an element of work placement or work experience. As applications for Chartered Membership are assessed on a combination of knowledge and relevant experience, a graduate from these degrees would be eligible to use this work experience as part of their membership application process.

The Institute would also like to encourage the development of forward looking and innovative courses particularly at the Masters level. To this end courses that expand and enrich the study of logistics and transport at higher degree level may be considered on their own merits at the discretion of CILT International, CILT (UK) or other relevant Country Accreditation Committees.

CILT does not expect that any one course or programme will demonstrate high levels of content in more than one Specialist Key Knowledge Area, though some may. Some courses may further specialise, focusing content by mode (e.g. Maritime), sector (e.g. Retail), process (e.g. Simulation) or customer (e.g. Humanitarian) aspects.





## Qualification Development – Development of CILT qualifications for Membership and Chartered Membership

The KKA provide a benchmark for the development of CILT qualifications. The CILT Diploma and CILT Advanced Diploma are the two qualifications which meet the educational requirements for Chartered Membership of the Institute, as long as the required experience is also gained in the working environment.

In the UK, these two qualifications are recognised within the UK government qualifications framework at Levels 5 and 6. Internationally these levels are matched by CILT International Diploma and Advanced Diploma qualifications.

The UK qualifications are used as a benchmark for the development and certification of other CILT qualifications, including the International Syllabus. We recognise that different countries may need to adopt an alternative approach to meet their own governmental and ministerial approval requirements, as well as those of local industry.

Submission of the KKA document alongside the course syllabus, learning outcomes, standards and materials will contextualise the product, and ensure that qualification approval agencies understand the breadth and depth of CILT's approach. If individual qualification bodies require more content than the minimum criteria recommended by the KKA guidance, then this should be accommodated with reference to the International Professional Development Coordinator and the country's own CILT Education Team.

The KKA also provide a basis for other CILT qualifications operating at below degree level, but these qualifications are not expected to require the same level and depth of knowledge. They will be expected to address the Core Generic Areas and overarching principles, recognising the importance of the customer and continuous improvement.

## In-company programmes – Accreditation of in-company programmes including Graduate Development Schemes

Many organisations operating in the areas of supply chain management, transport planning, operations management, and freight and passenger transport run graduate development schemes to attract and retain new recruits. These schemes enable organisations to develop graduates from a variety of disciplines to meet company-set competences and to provide coverage of the CILT Key Knowledge Areas.

The Accredited Graduate Development Scheme provides a direct route to Chartered Membership of CILT. Participants in accredited in-company graduate development schemes can typically expect to gain access to Chartered Membership at least one year sooner than would otherwise be the case, and in terms of the necessary qualifying period of experience are roughly on a par with candidates with accredited degrees.

Accreditation of a company's graduate development scheme by CILT is based on the candidates meeting the KKA as part of a company specific two or three year in-company programme. This accreditation provides an independent quality mark and assurance of high standards. Having a company programme accredited by a professional body can assist in the recruitment and retention of high quality graduates.

For candidates, accreditation will provide a direct route to Chartered status in CILT, which in turn will provide professional recognition for those developing their careers in the logistics and transport sector.



## Membership Elections – Assessment of individual applications by the Membership Panel for election to Chartered Membership and other assessed grades of membership

The KKA provide the knowledge requirements for eligibility for election to Chartered Member grade. There is complementary guidance on membership elections already in place, highlighting the levels of experience and knowledge needed to achieve different grades of membership. Please refer to the CILT Membership Guidelines or contact CILT International for a copy.

Individuals entering the profession through a non-traditional route can use the KKA as a tool to help identify their knowledge gaps and enhance their membership application.

The CILT Continuing Professional Development Toolkit provides gap analysis tools to help with this process.

## Benchmarking – Benchmarking for the content of CILT short courses, modular certification and accreditation of other relevant qualifications

Training providers should be aware that there are separate processes for accrediting and endorsing short courses, both at an international and country level. In addition, providers should clearly differentiate between attendance-based CPD and assessed training.

The Institute has a keen interest in the development of high quality qualifications for the logistics, transport and operations management sectors and therefore are prepared to support and endorse qualifications developed by other organisations.

When individual training providers submit proposals for accreditation we expect them to identify relevant KKA that the course will cover, and specify the level and depth of knowledge addressed by the course content.

The training provider should set out how each qualification will:

- benefit the profession
- bring benefits to users
- provide opportunities for progression for the individual

In addition, the subject matter of the course as a whole must specify the knowledge, skills and understanding required, and outline what successful students will have *learned* by the end of the programme.





## Key Knowledge Areas for Chartered Membership of CILT

### Overarching Customer and Continuous Improvement Principles

Regardless of the sector in which our members work, the customer is central. Fundamentally the profession is dealing with derived demand, where customer needs drive our decisions and actions. Identifying the customer and their stake, whether in the supply chain, freight operations, passenger transport or trade scenarios, is critical to the KKA.

Complementing this, the profession has to respond to a continual need for service improvement, again driven by the customer. Adding value to processes, products and services is a key component of both public and private sector transport and logistics activities, and needs to be clearly explained to learners at the outset of their studies.

The whole set of Key Knowledge Areas also need to be seen in the context of individual decision making, and how it can impact on the wider public, including environmental, socio-economic and commercial sustainability. Consideration of sustainability matters therefore underpins the KKA.

It is for undergraduate and degree-level providers to determine whether they wish to cover these key principles as stand-alone modules early on in the course, or to embed them within the Core Generic Areas covered next. If the latter option is selected, the coverage of the overarching principles must be explicit in the course descriptions and content.

## Core Generic Areas

### A. Integrated strategic planning, management, and systems thinking

- People development, leadership and strategic change management
- Core economic and market principles
- Costing, finance and resourcing
- Strategic and operational planning processes
- Managing projects and managing operations

### B. Efficiency, quality and risk

- Process and production management
- Operational effectiveness and efficiency
- Quality management strategies
- Risk identification, reduction, and safety management
- Compliance management and value-adding processes

### C. Technology, analysis, adoption and monitoring

- Selection of qualitative and quantitative methods and techniques
- Data collection and monitoring, analysis and forecasting
- Setting and achieving performance measurement (e.g. metrics, KPIs and benchmarking)
- Application of modelling and simulation
- Innovative applications of technology

### D. Society, sustainability, and the global community

- Society, ethics and Corporate Social Responsibility (CSR)
- Social, commercial, economic and environmental resilience
- National and international policy frameworks and legislation
- Interdependence and integration
- Global context and external influences
- Sustainable development

Remember that we would expect at least 75% of these core areas to be covered in a degree-level programme designed to lead to Chartered Membership

## Specialist Key Knowledge Areas

### Supply Chain Management

1. Supply chain objectives, benchmarking and strategies
2. Principles of supply chain design and operations including virtual networks
3. Supply chain dynamics, analysis, planning and optimisation
4. Sourcing, operations planning and procurement
5. Managing product / service / packages to end customers
6. Inventory management, warehousing, storage and intelligent systems
7. Product design, production planning, material, information and financial flow
8. Facilities and waste management
9. Lean, Agile (including Six Sigma) and competitiveness of supply chains
10. Multi-channel supply chains including e-commerce

### Operations Management

1. Supply chain planning and execution
2. Principles of planning and control (e.g. MRP, ERP, S&OP)
3. Manufacturing and re-manufacturing
4. Process mapping and process logic
5. Demand driven planning
6. Capacity planning, scheduling, and theory of constraints
7. Inventory planning and systems
8. Managing systems, monitoring and measurement
9. Continuous improvement, optimisation and Lean principles
10. Service operations and servitisation

### Procurement and Supplier Management

1. Market analysis and forecasting
2. Project management and supply chain optimisation
3. Global sourcing and international trade context
4. Tender specification, supplier evaluation and selection
5. Contract formation and negotiation
6. Legal aspects of procurement and contract law
7. Relationship management and collaborative working
8. Performance management and benchmarking systems
9. Category management principles
10. Achieving added value in the procurement process.

### Logistics Systems

1. Customer service and support systems
2. Distribution and transport systems and operations
3. Forecasting, planning and scheduling techniques
4. Logistics and transport modelling
5. Continuous process improvement and supply chain optimisation
6. Inventory management and warehousing systems
7. Managing and maintaining supply chain visibility
8. Meeting demand via ERP systems and e-commerce
9. Resource requirement planning
10. Control of information and material flow on-time and in-full

### Transport Infrastructure & Network Planning

1. Policy planning for transport, long and short term
2. Transport nodes, connecting links and network structures
3. Interrelationship between transport and spatial planning
4. Economic appraisal, social and environmental analysis
5. Demand and capacity management
6. Travel Planning: distance, demand, duration, destination, traffic modelling and management
7. Transport infrastructure and network resilience
8. Stakeholder engagement and public consultation
9. Transport information systems and intelligent mobility management
10. Infrastructure and planning sector, and market intelligence

### Passenger Movement

1. Passenger transport supply and demand principles
2. Local, national, international passenger transport policies
3. Passenger transport planning and network scope
4. Modes, modal choice and transport integration
5. Services, types of operation and interoperability
6. Passenger transport costing / pricing, obligations and subsidies
7. Passenger transport ownership and control
8. Access and inclusion through transport
9. Sustainable transport and behavioural change
10. Health and safety, security, and risk assessment

### Freight Movement

1. Services, types of operation and interoperability
2. Intermodal integration and operations
3. Transport of dangerous, oversize and hazardous freight
4. Freight transport, fleet operations and forward planning
5. Scope, capability and efficiency of urban freight transport operations
6. Freight forwarding and management of partners and subcontractors
7. Local, national, and international distribution networks and regulations
8. Modes, modal choice, and multimodal freight transport
9. Transport scheduling, routing, back-loading and optimisation models
10. Reverse logistics

### International Trade and Transport

1. International modal choice, inter-modality and security
2. Incoterms and contractual obligations
3. Customs tariffs, processes, procedures and insurance
4. Import, export, bonding and carnet procedures
5. Freight forwarding, contracts of carriage, documentation and certification
6. Specialist requirements for the carriage of different types of cargo
7. Insourcing, outsourcing and offshoring
8. International trade facilitation, treaties, finance and settlement
9. Trade compliance, licensing and quotas
10. Facilities (port, airport) operations

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#### Toolkit Resources

To support the KKA, additional resources will be produced which individuals can access from CILT International. Further details are available on the CILT International website at [ciltinternational.org](http://ciltinternational.org)

These will be released and updated on a regular basis and will cover:

- Examples of Core Generic Areas and how they apply to different discipline areas
- KKA Mapping and Checklist Tool
- How the KKA relate to Membership (MILT) grade
- Frequently asked questions (and answers) as they evolve

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#### Where to go for help and advice

For further guidance and advice on how to use the KKA documentation please contact:

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#### For UK and Europe

Dorothea Carvalho  
Professional Development Project Director  
E [dorothea.carvalho@ciltuk.org.uk](mailto:dorothea.carvalho@ciltuk.org.uk)

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#### For all other countries

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#### About the Chartered Institute of Logistics and Transport (CILT)

We are the leading international professional body for everyone who works within supply chain, logistics and transport.

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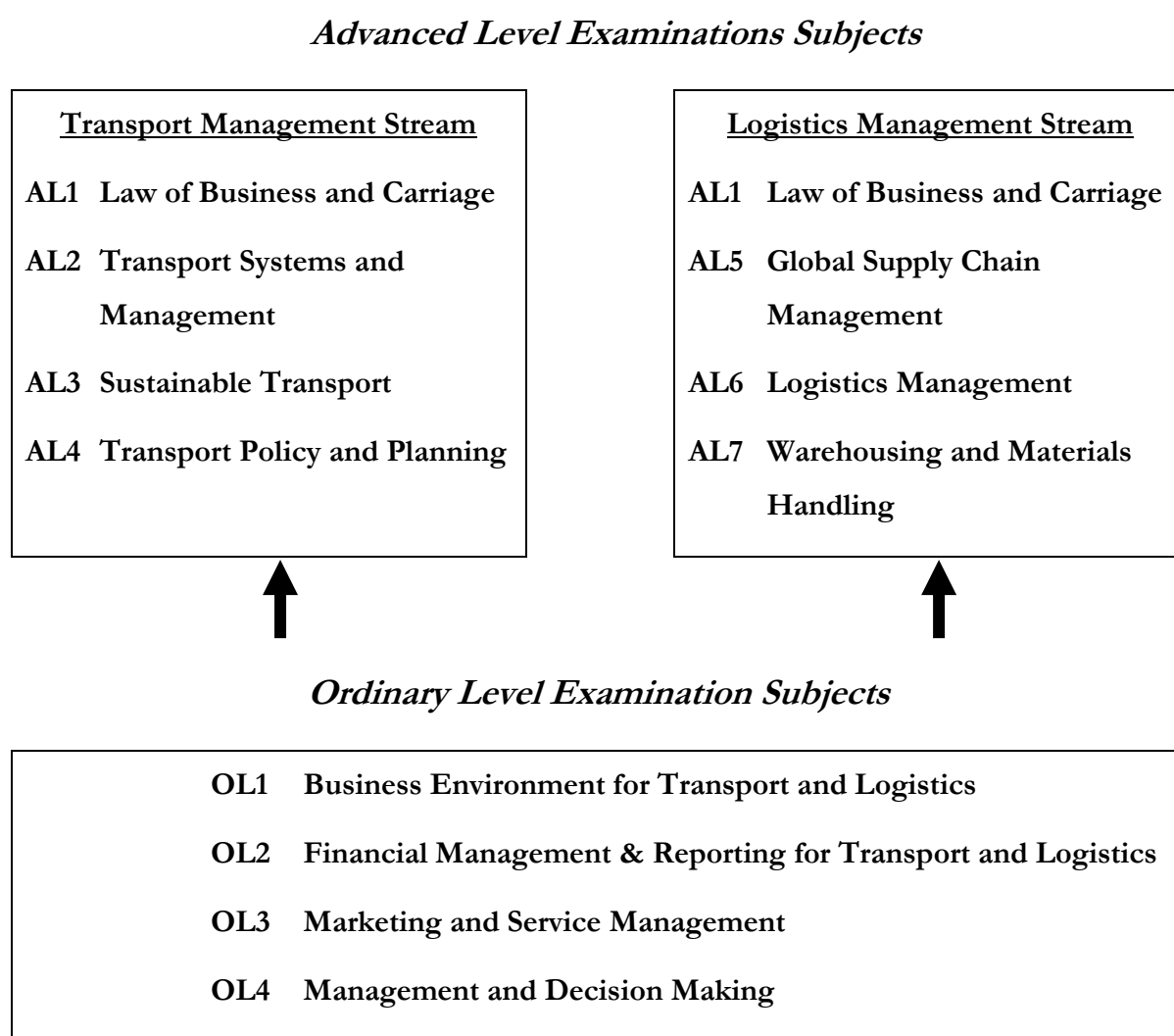


**The Chartered  
Institute of Logistics  
and Transport**

## **Appendix G CILTHK Professional Qualifying Examination Structure**

- G.1 To avoid any anxiety about drastic changes, the E&T Committee and the CILT Council assure all candidates that any necessary changes to the local CILT qualifying examination will be phased in gradually.
- G.2 Diagram F.1 shows the structure of the local CILT qualifying examination from 2017 onwards.

**Diagram G.1 Structure of the Professional Qualifying Examination (from 2017 onwards)**



## Appendix F      CILTHK PQE Examination Syllabuses

### **Ordinary Level**

[Candidates have to complete all four subjects]

- OL 1: Business Environment for Transport and Logistics
- OL 2: Financial Management and Reporting for Transport and Logistics
- OL 3: Marketing and Service Management
- OL 4: Management and Decision Making

### **Advanced Level**

[Candidates have to complete all four subjects within the chosen stream]

#### **Transport Management Stream**

- AL 1: Law of Business and Carriage
- AL 2: Transport Systems and Management
- AL 3: Sustainable Transport
- AL 4: Transport Policy and Planning

#### **Logistics Management Stream**

- AL 1: Law of Business and Carriage
- AL 5: Global Supply Chain Management
- AL 6: Logistics Management
- AL 7: Warehousing and Materials Handling

### ***How to use the syllabi***

The syllabi for the subjects in the Professional Qualifying Examination are written in terms of “Synopsis”, “Outline Subject Content”, “Standard of Knowledge and Competence” and “Key Learning Areas”.

*Synopsis* portrays the aims, basic coverage and the importance of the subjects. Candidates will need to have a general idea on the “whys” these modules are included in the examination and how they are related to the transport and logistics industry.

*Outline Subject Content* illustrates the main areas that would be examined. This aspect will help candidates to focus their studies correctly.

*Standard of Knowledge and Competence* indicates what a candidate is expected to know in each subject and what a candidate should be able to grasp, conduct and perform effectively when he / she obtains the corresponding knowledge.

The *Key Learning Points* and *Coverage* provide and suggest the basic knowledge elements that should be included in the examination. Moreover, they serve as the essential topics to be studied by the candidates. The knowledge and ability involved in the key learning points are to be interpreted in the context of transport and logistics, whenever possible.

## **Taxonomy of Expected Learning Outcomes / Competencies stated in the CILTHK PQE Syllabus**

### Mainly for Ordinary Level

Cognitive Category	Scope	Action Verb
<u>Knowledge</u>	Recall data / information / theories / concepts.	Define; Describe; Identify, Know; List out; Name; Outline; Recognise, Select, State etc.
<u>Comprehension</u>	Understand the meaning, translation, interpolations and problems. State a problem in one's own words.	Comprehend; Convert; Define; Discuss; Distinguish; Explain; Extend; Generalise; Infer; Interpret, Portray; Predict, Relate; Rewrite; Summarise Understand; etc.
<u>Application (Simple)</u>	Use a concept / theory / model in a situation or prompted use of an abstraction. Applies what was learnt into novel / conditioned situations in a hypothetical / simple case.	Apply; Calculate; Compute; Construct; Decide; Demonstrate; Discover; Manipulate; Modify; Predict, Prepare; Produce; Relate; Solve; Use etc.

### Mainly for Advanced Level

Cognitive Category	Scope	Action Verb
<u>Application (Complex)</u>	Use a concept / theory / model in a new situation or unprompted use of an abstraction. Applies what was learnt into complex / unconditioned situations in a real / hypothetical and complex case.	Apply; Calculate; Compute; Construct; Decide; Demonstrate; Discover; Manipulate; Modify; Predict, Prepare; Produce; Relate; Solve; Use etc.
<u>Analysis</u>	Divide materials or concepts into component parts so that its organisational structure may be understood. Distinguish between facts and inferences.	Analyse; Break down. Compare, Contrast; Deconstruct; Develop; Differentiate, Discriminate; Discuss; Distinguish; Examine; Identify; Illustrate; Infer; Outline; Relate; Select; Separate etc.
<u>Synthesis</u>	Build a structure or pattern from diverse elements. Put parts together to and from a whole, with emphasis on creating a new meaning or structure.	Categorise; Combine; Compile; Compose; Create; Develop; Devise; Design; Explain; Generate; Modify; Organise; Plan; Rearrange; Reconstruct; Relate; Reorganise; Review; Revise; Summarise etc.
<u>Evaluation</u>	Make judgments about the value of ideas or materials.	Appraise; Compare; Conclude; Contrast; Criticise; Critique; Defend; Determine; Discriminate; Discuss; Evaluate; Examine; Interpret; Justify; Relate; Summarise; Support etc.

*Adapted from Learning Domains or Bloom's Taxonomy: The Three Types of Learning  
[[www.nwlink.com/~donclark/hrd/bloom.html](http://www.nwlink.com/~donclark/hrd/bloom.html)]*

## **Ordinary Level**

### **OL 1: Business Environment for Transport and Logistics**

#### ***Synopsis***

This subject presents the fundamental knowledge required of a para-professional in the transport and logistics industry. It covers aspects of the principles, ideas and framework for understanding how transport / logistics interacts with global trade and society.

#### ***Outline Subject Content***

- A. Overview of Transport, Logistics and Supply Chain
- B. Transport and Logistics Systems - Elements and their Interrelationships
- C. Passenger Transport and Transport Planning
- D. Regulation and Control of Transport and Logistics System

#### ***Standard of Knowledge and Competence***

##### **A. Overview of Transport, Logistics and Supply Chain**

###### **The Candidate has to demonstrate the knowledge of:**

- Overview of transport and logistics for organisations, communities and society
- Importance of transport and logistics in socio-economic development
- Stakeholders in transport and logistics, their varied concerns and values
- Economic principles of supply and demand on the transport and logistics industry
- Market structures of transport and logistics businesses
- Modal and intermodal characteristics and opportunities
- Concepts and theories on modal selection
- Government policies on the transport and logistics sector
- Concept of supply chain management
- Importance of supply chain strategies on production and consumption

###### **The Candidate should be able to:**

- Illustrate the impacts of transport and logistics in the context of socio-economic development
- Identify stakeholders' values, concerns and their behaviour in transport and logistics related issues
- Determine and analyse the market structure of the transport and logistics industry
- Compare and contrast different modes of transport and illustrate the pros and cons of different modes
- Select suitable modes of transport under various circumstances
- Explain the concepts of supply chain management and the emergence of the supply chain
- Illustrate the importance of setting up supply chain strategies



**B. Transport and Logistics Systems – Elements and their Interrelationships**

**The Candidate has to demonstrate the knowledge of:**

- The systems concept and its use in transport and logistics
- Various activities that comprise the elements in transport and logistics systems
- Concepts on lean/agile logistics and supply chain management
- Various internal and external factors that may affect the development of the industry

**The Candidate should be able to:**

- Use the system concept to identify the elements of transport and logistics operations and examine the interrelationships among the elements
- Apply total cost concepts to analyse transport and logistics problems
- Examine the impacts of various internal and external factors affecting the transport and logistics industry
- Understand the development of the concepts of lean logistics and supply chain management
- Understand the concepts of zero-inventory, modern distribution centre and cross-docking

**C. Essentials of Urban Transport**

**The Candidate has to demonstrate the knowledge of:**

- The supply and demand of urban transport
- The nature and planning of urban transport
- Regulation and de-regulation of the transport industry
- Current issues on urban transport

**The Candidate should be able to:**

- Explore the factors affecting the urban transport market
- Analyse the urban transport market with supply, demand and elasticity concepts
- Examine the nature and characteristics of urban transport
- Explain the terms mobility and accessibility
- Understand the nature and process of urban transport planning
- Illustrate the advantages and disadvantages of regulating and de-regulating urban transport
- Understand the environmental, social and safety issues on urban transport

**D. Regulating and Control of a Transport and Logistics Systems**

**The Candidate has to demonstrate the knowledge of:**

- Environmental impacts caused by the transport and logistics industry, sustainability and energy issues of transport and logistics
- Human resources and industry relations in the transport and logistics industry
- Key elements of national and international legislation
- Health and safety in the transport and logistics environment
- Security and risk management in the transport and logistics industry

**The Candidate should be able to:**

- Address the issues on environmental protection and the advocacy of sustainability
- Recognise the health and safety issues in the industry



- Examine the issues related to the labour market and manpower quality
- Understand the importance on enhancement of security measures and identification of risk factors
- Discuss contemporary issues in the industry in a holistic manner
- Discuss conventional transport and logistics issues, with alternative views

## ***Key Knowledge Areas***

### **A. Overview of Transport and Logistics**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Relationship between transport and logistics and socio-economic development	<ul style="list-style-type: none"> <li>• Functions of transport and logistics</li> <li>• Roles of transport and logistics in regional development and the growth of the economy</li> <li>• Transport and society</li> <li>• Transport and social welfare</li> </ul>
The transport and logistics objectives, scope and products	<ul style="list-style-type: none"> <li>• Nature of transport and logistics such as derived demand</li> <li>• Modal characteristics and intermodal operations</li> <li>• Multimodal and intermodal operations</li> <li>• Supply and demand of transport and logistics services</li> <li>• Scope and scale: international vs. national; urban vs. rural; passenger vs. freight etc.</li> </ul>
Supply chain	<ul style="list-style-type: none"> <li>• The emerging supply chain concept</li> <li>• Concepts on supply chain management</li> <li>• Importance of supply chain strategies</li> </ul>
The institutional and market environment: privatisation, economic deregulation and competition	<ul style="list-style-type: none"> <li>• Public finance and urban transport</li> <li>• Ownership and organisation of business</li> <li>• Government intervention towards transport and logistics</li> <li>• Market structure – monopoly, oligopoly, monopolistic competition, contestable market</li> <li>• Alliance, merger and acquisition</li> </ul>

### **B. Elements of Transport and Logistics Systems**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Basic elements of transport and logistics	<ul style="list-style-type: none"> <li>• Elements of transport such as: modes, inter-modality, multi-modalism, types of operations and services, unit of carriage, unit of propulsion etc.</li> <li>• Elements of logistics such as: order management, customer services, material handling and packaging, warehouse management, inventory control, distribution, and procurement</li> <li>• Interrelationship among basic elements of transport and logistics</li> <li>• Modern distribution centre, cross-docking and zero inventory</li> </ul>
System concept	<ul style="list-style-type: none"> <li>• Application of system concept</li> </ul>

	<ul style="list-style-type: none"> <li>Identifying key elements and examine interrelationship among elements in transport and logistics issues</li> </ul>
Total cost concept	<ul style="list-style-type: none"> <li>Various costs and cost structures of different transport modes</li> <li>Concept of cost trade-off and its applications</li> <li>Load factors</li> <li>Concepts of lean logistics and agile logistics</li> </ul>
Improvement in technology	<ul style="list-style-type: none"> <li>Unit load concept and unit load devices</li> <li>Economies of scale on unit of carriage</li> <li>Advance in handling facilities and equipment</li> <li>Advanced in information and telecommunication technology</li> </ul>

### C. Essentials of Urban Transport

Key Knowledge Areas	Coverage
Supply and demand of urban transport	<ul style="list-style-type: none"> <li>Market mechanism</li> <li>Factors affecting supply and demand of urban transport</li> <li>Factors affecting demand and supply elasticity</li> <li>Various market structure for various modes of urban transport</li> </ul>
Urban transport planning	<ul style="list-style-type: none"> <li>Mobility and accessibility</li> <li>Nature and characteristics of urban transport</li> <li>Role and processes of transport planning</li> </ul>
Regulation and de-regulation	<ul style="list-style-type: none"> <li>Form and bodies involved in regulating urban transport</li> <li>Advantages and disadvantages of regulation and de-regulation</li> <li>Trends and forms of de-regulating urban transport</li> <li>Fiscal measures such as subsidies and taxes</li> </ul>
Current issues on urban transport	<ul style="list-style-type: none"> <li>Oversupply and congestion</li> <li>Green and sustainable transport</li> <li>Safety and security issues</li> </ul>

### D. Regulating and Control of Transport and Logistics System

Key Knowledge Areas	Coverage
Human resources management	<ul style="list-style-type: none"> <li>Contemporary human resources management theories</li> <li>Factors affecting supply and demand of labour in transport and logistics</li> <li>Labour supply and manpower quality issues</li> <li>Industrial relationship, unions and strikes</li> </ul>
Green Transport and sustainability	<ul style="list-style-type: none"> <li>Energy use and conservation, use of alternative fuel</li> <li>Environmental considerations and green transport</li> <li>Reverse logistics and green logistics</li> <li>Issues on sustainability</li> </ul>
Legal control	<ul style="list-style-type: none"> <li>National legislation on transport and logistics</li> </ul>

	<ul style="list-style-type: none"><li>• International treaties and legislation processes</li><li>• Regulatory bodies / mandatory bodies</li></ul>
Managerial control	<ul style="list-style-type: none"><li>• Financial and accounting controls</li><li>• Worker productivity</li><li>• In-sourcing and out-sourcing</li><li>• Standard Operation Procedures (SOP), Key Performance Index (KPI) and benchmarking</li></ul>

### ***Core Reading***

Banister, D. (2011). *Transport and Urban Development*. Routledge, UK.

Christopher, M. (2023). *Logistics and Supply Chain Management*, 6<sup>th</sup> ed. Pearson.

Murphy, P.R. and Knemeyer, A. M. (2018). *Contemporary Logistics*. 12<sup>th</sup> ed. Pearson.

Victor, D. J. and Ponnuswamy, S. (2012). *Urban Transportation: Planning, Operation and Management*. McGraw Hill.

### ***References***

Button, K. (2022). *Transport Economics*. 4<sup>th</sup> ed. Edward Elgar.

Novack, R.A., Gibson, B.J., Suzuki, Y., and Coyle, J.J. (2019). *Transportation: A Global Supply Chain Perspective*, 9<sup>th</sup> ed. Cengage Learning.

## **Ordinary Level**

### **OL 2: Financial Management & Reporting for Transport & Logistics**

#### ***Synopsis***

This subject is an introduction to financial accounting, cost and management accounting for candidates with limited or no prior knowledge of the subjects. It presents the fundamental knowledge required to understand and analyse financial statements. It also covers the aspects of the regulatory framework for financial reporting, cost accounting methods, techniques, budgeting process, as well as basic concepts of capital budgeting used for investment appraisal and evaluating financial performance.

The aims of this syllabus are to assess the student's ability to understand and / or to:

1. Explain the conceptual and regulatory framework of accounting, and general principles of accounting systems;
2. Explain the basic concepts and processes used to determine product and service costs;
3. Explain the various costing techniques and the role of budgets;
4. Apply the basic methods of capital budgeting on project evaluation and lease financing;
5. Apply and integrate the above concepts and techniques in simple reporting and financial planning in relation to a transport and logistics undertaking.

#### ***Outline Subject Content***

##### **A. Accounting Framework**

1. Conceptual and regulatory framework
2. Objectives of financial reporting
3. Definition of revenue, expenses, assets and liabilities

##### **B. Financial Statements and Reports**

1. Key financial statements and their purposes
2. Analysis and interpretation of accounts

##### **C. Cost Accounting Systems & Techniques**

1. Different costing principles and techniques
2. Different costing systems and methods
3. Marginal costing and decision making
4. Activity-based-costing (ABC) approach

##### **D. Budgeting**

1. Budget theory and components
2. Budgeting process and preparation
3. Role of budget in business planning & control

##### **E. Project Evaluation & Lease Financing**

1. Basic methods of project evaluation

2. Cost-benefit analysis
3. Different sources of capital
4. Lease financing

**F. Information Technology Applications**

1. Business information system
2. Enterprise applications
3. Business/Artificial intelligence

***Standard of Knowledge and Competence***

**A. Accounting Framework**

**1. Conceptual and regulatory framework**

**The Candidate has to demonstrate the knowledge of:**

- The differences between financial and management accounting systems
- The fundamental accounting concepts, principles and bases
- The historical cost convention

**The Candidate should be able to:**

- Explain the function of financial and management accounting systems
- Identify and explain the fundamental accounting concepts, principles and bases
- Understand the impact of accounting standards on the preparation of accounting statements

**2. Objective of financial reporting**

**The Candidate has to demonstrate the knowledge of:**

- The different user groups and the objectives of financial statements
- The key functions of financial accounts and reporting

**The Candidate should be able to:**

- Identify different user groups who make use of accounting information
- Tell the different characteristics of accounting information required to meet users' objectives

**3. Definition of revenue, expenses, assets and liabilities**

**The Candidate has to demonstrate the knowledge of:**

- The definitions and nature of capital and revenue items, income, expenses and assets and liabilities

**The Candidate should be able to:**

- Explain the concepts of capital and revenue, income and expenses, and assets and liabilities
- Identify common items that appear on income statements and balance sheets

**B. Financial Statements and Reports**

**1. Key financial statements and purposes**

**The Candidate has to demonstrate the knowledge of:**

- The major kinds of financial statements of a firm

- The different functions and purposes of financial reports

**The Candidate should be able to:**

- Read and prepare simple financial statements
- Explain the financial performance reflected by a financial statement

**2. Analysis and interpretation of accounts**

**The Candidate has to demonstrate the knowledge of:**

- The common accounting ratios
- Limitation of ratio analysis
- Segment analysis: inter-firm and international comparisons

**The Candidate should be able to**

- Calculate and interpret simple accounting ratios
- Analyse financial statements and comment on performance
- Explain the limitations of accounting ratio analysis

**C. Cost Accounting Systems and Techniques**

**1. Different costing principles and techniques**

**The Candidate has to demonstrate the knowledge of:**

- The definitions of absorption and marginal costing
- The concepts of standard costing

**The Candidate should be able to:**

- Compare and contrast marginal and absorption costing principles in profit reporting
- Explain how standards are set in the logistics industry, and calculate operational variances

**2. Different costing systems and methods**

**The Candidate has to demonstrate the knowledge of:**

- The mechanics of each costing system and method: job, batch, process costing and cost allocation
- The application of costs for decision making

**The Candidate should be able to:**

- Compare and contrast job, batch and process costing
- Prepare and contrast cost statements for transport and logistics companies

**3. Marginal costing and decision making**

**The Candidate has to demonstrate the knowledge of:**

- What are fixed, variable and semi-variable costs
- The contribution concept and its applications

**The Candidate should be able to:**

- Identify cost behaviour and explain the contribution concept
- Calculate the breakeven point, margin of safety and profit / volume ratio
- Prepare cost-volume-profit analysis

**4. Activity-based-costing (ABC) approach**

**The Candidate has to demonstrate the knowledge of:**

- ABC as a potential profit reporting system

**The Candidate should be able to:**

- Compare ABC with traditional costing methods
- Evaluate ABC as an alternative system of cost accounting

**D. Budgeting**

**1. Budget theory and components**

**The Candidate has to demonstrate the knowledge of:**

- The Budget theory
- Reasons for preparing budgets
- The various budget components

**The Candidate should be able to:**

- Identify different functional budgets
- Prepare a simple cash budget

**2. Budgeting process and preparation**

**The Candidate has to demonstrate the knowledge of:**

- The conventional budgeting process
- The different approaches in budget preparation

**The Candidate should be able to:**

- Evaluate and apply alternative approaches to budgeting
- Identify controllable and uncontrollable costs
- Prepare simple functional budgets

**3. Role of budget in business planning & control**

**The Candidate has to demonstrate the knowledge of:**

- Concepts of budget variances
  - The use of budgets for control purposes
  - Behavioural issues in budgeting
- The Candidate should be able to:**
- Describe and explain the potential purposes of budgets
  - Prepare simple reports comparing actual and budgeted results

**E. Project Evaluation & Lease Financing**

**1. Basic methods of project evaluation**

**The Candidate has to demonstrate the knowledge of:**

- The basic concepts of capital budgeting
- The common methods of project evaluation

**The Candidate should be able to:**

- Calculate investment returns by using NPV / IRR
- Compare and contrast the different methods of capital budgeting

**2. Cost-benefit analysis**

**The Candidate has to demonstrate the knowledge of:**

- The basic concepts of cost-benefit analysis
- Relevant and irrelevant costs and benefits

**The Candidate should be able to:**

- Identify and analyse relevant project costs, benefits and risks
- Apply cost-benefit analysis to decision making

**3. Different sources of capital**

**The Candidate has to demonstrate the knowledge of:**

- Types of features of short and long term finance
- Equity / share capital and debt financing

**The Candidate should be able to:**

- Explain the features of different types of finance
- Identify the costs so involved

**4. Lease financing**

**The Candidate has to demonstrate the knowledge of:**

- Purposes of using lease financing
- Different forms of lease financing

**The Candidate should be able to:**

- Explain the different between operating lease, hire purchase, and finance lease
- Compare the advantages of different forms of lease in relation to financial planning

**F. Information Technology Application**

**The Candidate has to demonstrate the knowledge of:**

- Basic understanding of business information systems and enterprise applications
- The use of information technology to enhance financial management and reporting

**The Candidate should be able to:**

- Explain how business information systems and enterprise applications can enhance financial management and reporting
- Appreciate the latest development of information technologies such as new enterprise systems and business/artificial intelligence

***Key Knowledge Areas***

**A. Accounting Framework**

**1. Conceptual and regulatory framework**

Key Knowledge Areas	Coverage
Financial vs. management accounting systems	<ul style="list-style-type: none"><li>• Definition and nature of an accounting system</li><li>• Different functions of each system</li></ul>



	<ul style="list-style-type: none"> <li>• Characteristics of information provided</li> </ul>
Fundamental accounting concepts, principles and bases	<ul style="list-style-type: none"> <li>• Definitions</li> <li>• The accounting equation</li> <li>• Historic cost basis</li> </ul>
Accounting standards	<ul style="list-style-type: none"> <li>• International accounting standards (IAS)</li> <li>• Effect on production of financial statements</li> <li>• Other regulatory tools and recent developments in financial reporting</li> </ul>

## 2. Objectives of financial reporting

Key Knowledge Areas	Coverage
Different user groups	<ul style="list-style-type: none"> <li>• Various stakeholders and their concerns</li> <li>• Stewardship</li> </ul>
Purposes of financial reporting	<ul style="list-style-type: none"> <li>• Profit measurement</li> <li>• Assets valuation and liabilities measurement</li> <li>• Concept of accountability</li> </ul>

## 3. Definitions of revenue, expenses, assets and liabilities

Key Knowledge Areas	Coverage
Income and expense	<ul style="list-style-type: none"> <li>• Nature and types of revenue and expense</li> <li>• Concept of capital and revenue items</li> </ul>
Assets, liabilities, and equity	<ul style="list-style-type: none"> <li>• Nature and types of equity, assets and liabilities</li> <li>• Accruals and prepayments</li> </ul>

# B. Financial Statements and Reports

## 1. Key financial statements and purposes

Key Knowledge Areas	Coverage
Key financial statements	<ul style="list-style-type: none"> <li>• Income statement</li> <li>• Balance sheet</li> <li>• Cash flow statement</li> </ul>
Purposes and information provided	<ul style="list-style-type: none"> <li>• Performance measurement</li> <li>• Assets versus liabilities</li> <li>• Concept of net worth</li> <li>• Liquidity versus profitability</li> </ul>

## 2. Analysis and interpretation of accounts

Key Knowledge Areas	Coverage
Accounting ratios	<ul style="list-style-type: none"> <li>• Definitions</li> <li>• Types of ratios for financial analysis</li> <li>• How to calculate and interpret ratios</li> </ul>
Limitations of ratio analysis	<ul style="list-style-type: none"> <li>• Comparability of industries</li> <li>• Variation under different accounting policies</li> </ul>
Segment analysis	<ul style="list-style-type: none"> <li>• Application of ratios for inter-firm and international comparisons</li> <li>• Benchmarking</li> </ul>

## **C. Cost Accounting Systems & Techniques**

### **1. Different costing principles and techniques**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Absorption vs. marginal costing	<ul style="list-style-type: none"><li>• Definitions and concepts</li><li>• Compare and contrast the two systems</li><li>• Application under different costing environments</li></ul>
Standard costing	<ul style="list-style-type: none"><li>• Definitions and concepts</li><li>• How to set standards</li><li>• Calculation of variances</li><li>• Behavioural aspects of setting standards costs</li></ul>

### **2. Different costing systems and methods**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Basic concepts used to determine product or service costs	<ul style="list-style-type: none"><li>• Common costing systems and methods</li><li>• Compare and contrast job, batch, contract and process costing systems</li></ul>
Functions of costing systems	<ul style="list-style-type: none"><li>• Reasons for using costing systems</li><li>• Functions of cost statements for service organisations</li></ul>

### **3. Marginal costing and decision making**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Fundamental concepts for marginal costing	<ul style="list-style-type: none"><li>• Relevant costs and sunk costs</li><li>• Fixed, variable and semi-variable costs</li><li>• Contribution concept</li></ul>
What is C-V-P analysis	<ul style="list-style-type: none"><li>• Definitions of break-even point and margin of safety</li><li>• How to prepare cost-volume-profit analysis</li><li>• Application of C-V-P in decision making</li></ul>

### **4. Activity-based-costing (ABC) approach**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
What is the ABC approach	<ul style="list-style-type: none"><li>• Basic concepts</li><li>• Application of ABC as a system of profit reporting and performance measurement</li><li>• ABC compared with traditional costing methods</li></ul>

## **D. Budgeting**

### **1. Budget theory and components**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Budget theory	<ul style="list-style-type: none"><li>• Definition of budget</li><li>• Reasons for preparing budgets</li><li>• Information technology and budgeting</li></ul>
Budget components	<ul style="list-style-type: none"><li>• Functional budgets</li><li>• Master budgets</li><li>• Budget profit &amp; loss account, balance sheet</li><li>• Cash budgets</li></ul>

## 2. Budget process and preparation

Key Knowledge Areas	Coverage
Budget process	<ul style="list-style-type: none"> <li>• Methods on and the process of preparing a traditional budget</li> <li>• Recent developments in budgeting processes</li> </ul>
Approaches in budgeting	<ul style="list-style-type: none"> <li>• Creation of budgets under incremental approaches, zero-based budgeting, and activity-based budgets</li> <li>• Pros and cons of different approaches</li> </ul>

## 3. Role of budget in business planning & control

Key Knowledge Areas	Coverage
Role of budget in business	<ul style="list-style-type: none"> <li>• As a tool for planning and control</li> <li>• Other possible purposes of budget like motivation and communication</li> </ul>
Behavioural issues and non-financial indicators	<ul style="list-style-type: none"> <li>• Impact of budgetary control systems on human behaviour</li> <li>• Role of non-financial performance indicators</li> </ul>
Budget variances	<ul style="list-style-type: none"> <li>• Reporting of actual performance against budget</li> <li>• Variance analysis / responsibility accounting</li> </ul>

## E. Project Evaluation & Lease Financing

### 1. Basic methods of project evaluation

Key Knowledge Areas	Coverage
Fundamentals of capital budgeting	<ul style="list-style-type: none"> <li>• Common methods used to evaluate project profitability</li> <li>• Net present value (NPV), internal rate of return (IRR), payback period, average rate of return</li> <li>• Computation of investment return under each method</li> </ul>
NPV method vs. IRR method	<ul style="list-style-type: none"> <li>• Compare and contrast differences between the two commonly used approaches</li> <li>• Selection of the appropriate method</li> </ul>

### 2. Cost-benefit analysis (CBA)

Key Knowledge Areas	Coverage
Basic concepts of relevant costs and benefits	<ul style="list-style-type: none"> <li>• Identification of a project's relevant costs and benefits</li> <li>• Relevant vs. irrelevant costs and benefits</li> <li>• Financial and non-financial risks</li> </ul>
Application of CBA in decision making	<ul style="list-style-type: none"> <li>• Analysis on relevant costs and benefits of an investment project</li> <li>• Limitation of CBA in project evaluation</li> </ul>

### 3. Different sources of capital

Key Knowledge Areas	Coverage
Different sources of capital	<ul style="list-style-type: none"> <li>• Long term and short term sources of capital</li> <li>• Equity versus debt financing</li> <li>• Costs of capital involved</li> </ul>

	<ul style="list-style-type: none"> <li>• Other factors than costs</li> </ul>
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#### 4. Lease financing

Key learning points	Coverage
Types and features of lease financing	<ul style="list-style-type: none"> <li>• Concept of lease financing, operating lease and finance lease</li> <li>• Compare and contrast different forms of leases in financial planning in a transport / logistics undertaking</li> <li>• Effects of taxation</li> </ul>

#### F. Information Technology Application

Key Knowledge Areas	Coverage
Business information systems	<ul style="list-style-type: none"> <li>• Business features</li> <li>• System functionality and performance</li> <li>• Collaboration</li> <li>• Roles</li> </ul>
Enterprise applications	<ul style="list-style-type: none"> <li>• Enterprise Systems</li> </ul>
Business/Artificial intelligence	<ul style="list-style-type: none"> <li>• Business intelligence</li> <li>• Artificial intelligence</li> <li>• Knowledge management</li> </ul>

#### **Core Reading**

Horngren, C.T., Datar, S.M. and Rajan, M.V. (2011). *Cost Accounting: A Managerial Emphasis*, 14<sup>th</sup> ed. Prentice Hall, US.

Williams, J., Haka, S., Bettner, M. and Carcello, J. (2011). *Financial Accounting*. McGraw-Hill, US.

#### **References**

Drury, C. (2015). *Management and Cost Accounting*, 9<sup>th</sup> ed. Cengage Learning EMEA, US.

Laudon, K.C. and Laudon, J.P. (2014). *Essentials of Managing Information Systems*, 11<sup>th</sup> ed. Prentice Hall, US.

Ross, S. Westerfield, R., Jordan, B. (2012). *Fundamentals of Corporate Finance*, 10<sup>th</sup> ed. McGraw-Hill, US.

## **Ordinary Level**

### **OL 3: Marketing and Service Management**

#### ***Synopsis***

Markets are increasing characterised by demanding customers and consumers. A paradigm shift has changed the market from producer-led to consumer-driven. Firms can no longer rely on the classic 4Ps of product, price, promotion and place to support its market-leadership. To survive and preferably grow, winning firms must satisfy customers' need on product innovation and service assurance, as well as those who can maintain intimate relationships with, and deliver long-term value to, the customers.

The subject provides the underlying knowledge for marketing and service management in both theoretical and practical contexts. It addresses the uniqueness of the transport and logistics field in carrying out marketing activities and service management practices. The basic concepts, ideas and theories on marketing policy, market research, service quality and customer services form the substantial body of the subject. Moreover, social and ethical issues are also discussed. Various approaches to extend the concepts to international transport and logistics services are included.

#### ***Outline Subject Content***

- A. Understand Services and Marketing
- B. Marketing Environment and Marketing Policy
- C. Market Characteristics and Market Research
- D. Service Management and Service Quality
- E. Social and Ethical Issues in Marketing
- F. Developing Customer Relations and Customer Satisfaction Measurement

#### ***Standard of Knowledge and Competence***

##### **A. Understand Services and Marketing**

###### **The Candidate has to demonstrate the knowledge of:**

- The basic concepts of services, customer services and derived services
- The differences between physical products and services
- Various characteristics and attributes of services
- The importance of quality and reliability in transport and logistics services
- Concepts of marketing mix and service marketing mix
- Various marketing techniques
- Use and limitations of marketing in not-for-profit logistics and transport activities

###### **The Candidate should be able to:**

- Use basic concepts of services and marketing to analyse the services provided in the transport and logistics sector
- Distinguish between physical products and services

- Illustrate the importance of quality and reliability through transport and logistics services
- Examine marketing mix concepts through case studies
- Apply service marketing mix concepts to analyse cases
- Understand the limitations and uses of marketing in not-for-profit logistics and transport activities

**B. Marketing Environment and Marketing Policy**

**The Candidate has to demonstrate the knowledge of:**

- The nature of activities of transport and logistics
- Various kinds of market policies, features and advantages
- How marketing policy helps to gain and lose competitive advantages
- Segmentation and positioning strategy
- Factors affecting marketing decisions
- How the marketing environment will structure competitiveness
- Issues on communication and manpower development

**The Candidate should be able to:**

- Illustrate the distinctive nature of transport and logistics activities in marketing
- Examine how marketing policy would affect the positioning of the services
- Evaluate what factors are involved and how these factors affect the marketing decisions
- Examine the degree of competitiveness in the marketing environment
- Discuss other issues in marketing such as market communication, manpower and organisational issues

**C. Market Characteristics and Market Research**

**The Candidate has to demonstrate the knowledge of:**

- Various types of topologies on market characteristics
- Various market research techniques, their usages and advantages
- Methods to collect market information and intelligence
- How information systems help the marketing operations

**The Candidate should be able to:**

- Identify different market types and illustrate their characteristics
- Suggest suitable market research techniques and design market research plans
- Choose appropriate methods or approaches to obtain market intelligence
- Illustrate the importance of information systems in marketing
- Identify the benefits of using information systems in service marketing

**D. Service Management and Service Quality**

**The Candidate has to demonstrate the knowledge of:**

- Components in a quality management system
- Processes, tools and techniques for quality management
- Cost and benefits of a quality management system
- The relationships between customer experience, customer satisfaction and service quality

- Reasons for service failure
- The concepts of recovery strategies and quality assurance programmes
- How to design a quality assurance programme
- Organisational issues in service management
- Relationship between marketing and operations
- Roles and elements of services portfolios
- Functions and the importance of customer participation
- Various issues on manpower, training, motivation and human issues in service marketing
- Working conditions and the stressfulness of frontline staff
- Techniques and considerations for hiring suitable persons for service marketing or customer services

The Candidate should be able to:

- Study a quality management system and suggest appropriate tools and techniques required
- Illustrate the costs of quality in the transport and logistics industry
- Relate customer experience, customer satisfaction and service quality
- Illustrate the factors of service failures and the impacts on customer satisfaction
- Identify the needs for setting recovery strategies
- Illustrate the elements and design of a suitable quality assurance programme
- Discuss issues on the organisation of a service management system
- Discuss the relationship between marketing and operations
- Illustrate the functions of and elements in a service portfolio and understand the considerations in developing it
- Illustrate the importance of customer participation
- Discuss various manpower planning issues for customer services and service management

## **E. Social and Ethical Issues in Marketing**

**The Candidate has to demonstrate the knowledge of:**

- Emerging social issues on marketing the transport and logistics industry
- Environmental protection as a marketing tool
- Concepts and processes on building trust between the buyer and seller
- Factors affecting the degree of customer loyalty
- Impacts on the business environment and society by service marketing
- Social and political issues on the transport and logistics sector
- Marketing and issues of the globalised market

The Candidate should be able to:

- Discuss various social considerations as marketing issues
- Discuss the political impacts or issues on marketing transport and logistics services
- Discuss the environmental issues as considerations in marketing
- Identify the importance of relationship marketing
- Illustrate the process of building up buyer-seller relationships
- Recognise social responsibility and political acceptability as marketing considerations
- Identify marketing as barrier to entry in the transport and logistics sector
- Discuss the issues on the emerging global market

**F. Developing Customer Relations and Customer Satisfaction Measurement**

**The Candidate has to demonstrate the knowledge of:**

- The importance of customer loyalty
- Concepts, processes and elements of customer service management
- Concept on, elements of and factors affecting customer expectations
- Concepts on service recovery systems and various types of effective service recovery systems
- Various proactive actions that are useful in enhancing customer services
- Elements of a customer feedback mechanism and factors affecting the effectiveness of this mechanism
- Concepts on solicited and unsolicited customer feedback
- How to measure customer satisfaction

**The Candidate should be able to:**

- Discuss the importance of customer loyalty and the factors affecting it
- Discuss various issues in customer service management
- Evaluate the effectiveness of various service recovery systems
- Illustrate the uses, benefits and effectiveness of proactive actions
- Discuss the effectiveness of customer feedback mechanisms
- Distinguish between solicited and unsolicited customer feedback
- Discuss the various issues in measuring customer satisfaction

***Key Knowledge Areas***

**A. Understand Service and Marketing**

Key Knowledge Areas	Coverage
Concepts and distinctive aspects of services	<ul style="list-style-type: none"> <li>• Services industries</li> <li>• Services as products</li> <li>• Customer services</li> <li>• Derived services</li> </ul>
Differences between goods and services	<ul style="list-style-type: none"> <li>• Characteristics of services <ul style="list-style-type: none"> <li>➢ Intangibility</li> <li>➢ Inseparability</li> <li>➢ Perishability</li> <li>➢ Variability</li> </ul> </li> <li>• Quality and reliability</li> </ul>
Marketing	<ul style="list-style-type: none"> <li>• Marketing Mix <ul style="list-style-type: none"> <li>➢ Service marketing mix</li> <li>➢ Application of service marketing mix in transport and logistics</li> </ul> </li> <li>• Market orientation</li> <li>• Marketing techniques</li> <li>• Marketing of not-for-profit activities</li> </ul>

**B. Marketing Environment and Marketing Policy**

Key Knowledge Areas	Coverage
Product nature and transport and logistics activities	<ul style="list-style-type: none"> <li>• Time-based competition <ul style="list-style-type: none"> <li>➢ Time to market</li> </ul> </li> </ul>



	<ul style="list-style-type: none"> <li>➤ Time to serve</li> <li>➤ Time to react</li> <li>➤ Strategies for lead-time reduction</li> <li>➤ Value-added time and non-value-added time</li> </ul>
Marketing policy	<ul style="list-style-type: none"> <li>• Market policies and measuring their successfulness</li> <li>• Gain and loss of competitive advantage</li> <li>• Steps to develop a positioning strategy</li> </ul>
Factors affecting marketing decisions in transport and logistics	<ul style="list-style-type: none"> <li>• Political</li> <li>• Economic</li> <li>• Social</li> <li>• Technological</li> <li>• Legal</li> </ul>
Marketing environment	<ul style="list-style-type: none"> <li>• Regulation and de-regulation</li> <li>• Contestability</li> <li>• Changing competition</li> </ul>
Other issues on marketing environment	<ul style="list-style-type: none"> <li>• Market communication</li> <li>• People issues</li> <li>• Organisational arrangement</li> </ul>

### C. Market Characteristics and Market Research

Key Knowledge Areas	Coverage
Market characteristics	<ul style="list-style-type: none"> <li>• Market segmentation and differentiation</li> <li>• Core and augmented products</li> <li>• Geographical factors</li> </ul>
Market research techniques	<ul style="list-style-type: none"> <li>• Quantitative vs. qualitative</li> <li>• Multidimensional scales</li> <li>• Interviews and questionnaires</li> <li>• Meetings, panels and focus groups</li> </ul>
Collection of market intelligence	<ul style="list-style-type: none"> <li>• Complaint Solicitation</li> <li>• Critical incidents studies</li> <li>• Post transaction survey</li> <li>• Service expectation</li> <li>• Mystery customers</li> <li>• Lost Customer Research</li> </ul>
Application of information systems	<ul style="list-style-type: none"> <li>• On-line marketing <ul style="list-style-type: none"> <li>➤ Concept and objectives</li> <li>➤ Development</li> <li>➤ Limitations</li> </ul> </li> <li>• Marketing information systems</li> <li>• Use of internet, websites, portals, social media and mobile applications</li> <li>• <b>Big data, marketing analytics and artificial intelligence</b></li> </ul>

### D. Service Management and Service Quality

Key Knowledge Areas	Coverage
Quality management	<ul style="list-style-type: none"> <li>• Quality management system</li> <li>• Tools and techniques</li> </ul>

	<ul style="list-style-type: none"> <li>• Costs of quality</li> </ul>
Service quality	<ul style="list-style-type: none"> <li>• Customer experience</li> <li>• Service quality and customer satisfaction</li> <li>• Service failure and recovery strategies</li> <li>• Design quality assurance programmes</li> </ul>
Service management	<ul style="list-style-type: none"> <li>• Organisational issues</li> <li>• Relationship between marketing and operations</li> <li>• Developing a portfolio of services</li> <li>• Enhancing customer participation</li> </ul>
Manpower management	<ul style="list-style-type: none"> <li>• Difficult and stressful frontline activities</li> <li>• Cycle of failure, mediocrity and success</li> <li>• Service leadership and culture</li> <li>• Hire the right people                             <ul style="list-style-type: none"> <li>➢ Behaviour observation</li> <li>➢ Personality tests</li> <li>➢ Multiple, structured interviews</li> <li>➢ Job Preview</li> </ul> </li> <li>• Training, involvement and teamwork</li> <li>• Motivate and energise people</li> </ul>

#### **E. Social and Ethical Issues in Marketing**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Social needs and effective demand	<ul style="list-style-type: none"> <li>• Long service contract</li> <li>• Stability and reliability</li> <li>• Disadvantaged people</li> <li>• Green image</li> <li>• Social responsibility</li> <li>• Political enhancement</li> <li>• Marketing as a barrier to entry</li> </ul>
Trust between buyer and seller	<ul style="list-style-type: none"> <li>• Needs for relationship marketing</li> <li>• Buyer-seller relationships</li> </ul>
Globalised logistics marketing management	<ul style="list-style-type: none"> <li>• Integrated services marketing in logistics</li> <li>• Offshore sourcing and manufacturing</li> <li>• Global logistics strategy and synergy</li> </ul>

#### **F. Developing Customer Relations and Customer Satisfaction Measurement**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Build up customer relationships and develop customer loyalty	<ul style="list-style-type: none"> <li>• Customer loyalty and its importance</li> <li>• Customer service management</li> <li>• Customer complaint behaviour</li> <li>• Customer expectations</li> <li>• Effective service recovery systems                             <ul style="list-style-type: none"> <li>➢ Identify service complaints</li> <li>➢ Resolve service complaints</li> <li>➢ Learning from experience</li> </ul> </li> </ul>
Proactive action	<ul style="list-style-type: none"> <li>• Proactive attitudes</li> <li>• Planned procedures</li> <li>• Trained skills</li> <li>• Empowered Employees</li> </ul>

Customer feedback mechanism	<ul style="list-style-type: none"><li>• Service Guarantees</li><li>• Compensation to customers</li><li>• Solicited and unsolicited customer feedback</li><li>• Analysis, reporting and dissemination</li></ul>
Measure of customer satisfaction	<ul style="list-style-type: none"><li>• Customer perceptions</li><li>• Identification of key service aspects</li><li>• Techniques: Surveys, focus groups, interviews</li><li>• Quantitative vs. qualitative methods</li><li>• Use of the results</li></ul>

### **Core Reading**

Armstrong, G., Kotler, P., and Opresnik, M.O. (2020). *Marketing: An Introduction*, 14<sup>th</sup> ed. Pearson.

Hoffman, K.D. and Bateson, J.E.G. (2017). *Services Marketing: Concepts, Strategies & Cases*, 5<sup>th</sup> ed. Cengage Learning.

Zeithaml, V.A., Bitner, M.J., and Gremler, D.D. (2018). *Services Marketing: Integrating Customer Focus Across the Firm*, 7<sup>th</sup> ed. McGraw-Hill.

### **References**

Kerin R., Steven H. and Rudelius W. (2014). *Marketing*, 12<sup>th</sup> ed. McGraw-Hill, New York.

Palmer, A. (2014). *Principles of Services Marketing*, 7<sup>th</sup> ed. McGraw-Hill, UK.

Wirtz, J., and Lovelock, C.H. (2022). *Services Marketing: People, Technology, Strategy*, 9<sup>th</sup> ed. World Scientific.

Zarei, E. (2014). *Logistics Marketing*, 2<sup>nd</sup> ed. DMA4U.

## **Ordinary Level**

### **OL 4: Management and Decision Making**

#### ***Synopsis***

This subject presents knowledge of the key generic aspects of management that are involved in transport and logistics practices and provides a basis for professionals in the various sectors to understand the basic concepts of management in order to comprehend the various theoretical aspects of management; to understand the knowledge and skills required to carry out the role of a manager efficiently and effectively.

#### ***Outline Subject Content***

- A. Basic Concepts on Management
- B. Developing Organisation Strategies
- C. Planning and Decisions Making
- D. Measuring Performance and Innovation
- E. Project Management and Negotiations
- F. Leadership, Management and Development of People
- G. Productivity, Quality and Operations Management
- H. Managing Information System
- I. Business Ethics, Corporate Social Responsibility / **Environment Social and Governance**

#### ***Standard of Knowledge and Competence***

##### **A. Basic Concepts and Theories on Management**

**The Candidate has to demonstrate the knowledge of:**

- The nature, principles and scope of management
- Various management theories and their contributions to effective management
- The elements of the management process

**The Candidate should be able to:**

- Identify and explain the basic management functions and processes of management in organisations
- Examine the roles of manager in transport and logistics organisations
- Describe contemporary approaches to and various perspectives on management

##### **B. Developing Organisation Strategies**

**The Candidate has to demonstrate the knowledge of:**

- Components, levels and formulation of management strategies
- Concepts of strategic management
- Frameworks and processes on formulating strategy
- Implementation of organisation strategies

**The Candidate should be able to:**

- Identify and discuss the major functional strategies within the context of the transport and logistics industry
- Compare the differences between strategic, tactical and operational plans
- Examine the essential elements and steps in formulating strategies
- Describe the steps and identify the difficulties in the implementation of organisation strategies

**C. Organisation Planning and Decision Making**

**The Candidate has to demonstrate the knowledge of:**

- The management hierarchy
- Mission, goals, objectives, strategies and policies
- Nature of decisions and the organisational hierarchy
- Information needs of decision makers
- Common decisions in the logistics and transport trades
- Common planning and decision making tools: optimisation and scheduling

**The Candidate should be able to:**

- Use organisation charts to understand and represent the hierarchical relationships in an organisation
- Describe the relationships between mission and the hierarchy faced by managers in different positions of the organisation
- Identify the information needs of people in different positions in an organisation
- Describe the nature and characteristics of common decisions in the logistics and transport trades
- Describe some commonly used tools for handling optimisation and scheduling problems

**D. Measuring Performance and Innovation**

**The Candidate has to demonstrate the knowledge of:**

- Productivity measurement and management
- Determination of standard operation procedures and service level agreements
- Key performance indicators and their usage
- The benchmarking process and technique
- Managing Innovation

**The Candidate should be able to:**

- Identify and evaluate measures of productivity in transport and logistics activities
- Suggest and construct suitable key performance indicators
- Explain the usage of standard operation procedures and the importance of setting service level agreements
- Examine the practices of benchmarking in the transport and logistics industry
- Recognise the importance of innovation in the transport and logistics industry

**E. Project Management and Negotiation**

**The Candidate has to demonstrate the knowledge of:**

- Concepts of project management
- Project management and quality control
- Tools for project management
- Functions of, processes of, and techniques of negotiation
- Negotiation strategies: conflict resolution and communication

**The Candidate should be able to:**

- Examine the usage of project management within the context of transport and logistics management
- Suggest suitable tools and methods for project management
- Explain the functions and processes of negotiation
- Formulate negotiation strategies

**F. Leadership, Motivation and Development of People**

**The Candidate has to demonstrate the knowledge of:**

- Leadership styles and traits
- Correlation between needs and motivation
- Various theories on motivation
- Types of groups and teamwork
- Interpersonal and groups conflicts

**The Candidate should be able to:**

- Discuss the essential traits of a leader
- Use different theories on leadership to illustrate its importance on the success of transport and logistics firms
- Recognise the use of monetary and non-monetary motivation in the transport and logistics industry
- Use different motivation concepts to explain the behaviour of employees
- Discuss the ways that groups may be developed as effective teams
- Identify techniques for managing work teams in the transport and logistics business

**G. Productivity, Quality and Operations Management**

**The Candidate has to demonstrate the knowledge of:**

- The nature of value, productivity and quality
- Measuring productivity and quality
- The resource transformation process
- Operations planning and control
- Factors affecting productivity and quality
- The basic tools for improving productivity and quality
- Total quality management
- Business process reengineering
- Concepts of the value chain and supply chain
- Managing the global supply chain

**The Candidate should be able to:**

- Describe the relationship between customer value, productivity and quality
- Describe and apply the tools for measuring productivity and quality
- Describe the elements of the transformation process and describe the operations of an organisation as a resource transformation process
- Describe the elements and steps in operations planning and control
- Identify and describe the factors affecting the productivity of an organisation and the quality of its products or services
- Explain the nature of basic tools for the improvement of productivity and quality
- Describe the underlying assumptions, key elements and processes, advantages and limitations of total quality management, business process reengineering, and supply chain management

**H. Managing Information Systems**

**The Candidate has to demonstrate the knowledge of:**

- Types, flow and users of information in transport and logistics
- Needs and importance of information
- Strategic roles of information systems
- Computer hardware and software typologies
- Different concepts and tools for data management
- Different types of information systems
- Trend of network development
- Concepts and processes of data security management
- Methods and tools that are used in securing data, and computer and network security

**The Candidate should be able to:**

- Illustrate the information flow in logistics and transport operations
- Identify the needs and importance of using IT to facilitate information flow
- Understand the strategic role of information systems
- Comprehend the functions of different components of information systems
- Evaluate the suitability of various hardware and software to be used
- Compare the advantages and disadvantages of data storage methods
- Explain the use of database structures and processes of data management
- Describe the features and functions of different information systems
- Illustrate which aspects of information systems can help in transport and logistics operations
- Review the potential risks of accessing the Internet and the importance of security
- Identify various types of access control and data security tools

**I. Business ethics and corporate social responsibility**

**The Candidate has to demonstrate the knowledge of:**

- Concepts of managerial ethics
- Arguments for and against business social responsibility
- Various aspects and means for developing corporate social responsibility
- **Application of CSR / ESG** in the transport and logistics industry

**The Candidate should be able to:**

- Demonstrate the awareness in business ethics including but not limited to application of AI-related tools in the context of transport and logistics
- Discuss the challenges on managing social responsibility
- Discuss the processes and considerations in formulating a corporate social responsibility plan
- Examine the relationship between government and transport and logistics organisations regarding social responsibility
- **Understand the importance and latest development ESG related framework**

## ***Key Knowledge Areas***

### **A. Basic Concepts and Theories on Management**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Nature, principles and scope of management	<ul style="list-style-type: none"> <li>• Characteristics of organisations</li> <li>• Different organisational levels</li> <li>• Role of managers, such as Mintzberg's managerial roles</li> <li>• Internal and external environment</li> <li>• Management in the global environment</li> </ul>
Management functions and process	<ul style="list-style-type: none"> <li>• Elements of the management process: planning, organising, leading and controlling</li> <li>• Managerial roles and managerial skills</li> <li>• Scope of management</li> </ul>
Management theories	<ul style="list-style-type: none"> <li>• Classical management theories</li> <li>• Rational and behavioural aspects</li> <li>• Various approaches: human resources approach, quantitative approach and contingency approach</li> </ul>
Roles of managers	<ul style="list-style-type: none"> <li>• Levels of management and areas of management</li> <li>• Critical roles and skills of being a manager</li> </ul>
Management in transport and logistics	<ul style="list-style-type: none"> <li>• Rational planning and operations management</li> <li>• Quantitative vs. qualitative approaches</li> <li>• Public administration and business management</li> <li>• Roles for public image, innovation and social responsibility</li> </ul>

### **B. Developing Organisation Strategies**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Strategy formulation	<ul style="list-style-type: none"> <li>• Setting of strategic goals</li> <li>• Strategy analysis tools such as: SWOT, Porter's competitive strategies, five forces model, product life cycle analysis</li> <li>• Cascading of objectives</li> </ul>
Strategic management process	<ul style="list-style-type: none"> <li>• Operational, tactical and strategic plans</li> <li>• Formulation and implementation</li> <li>• Vertical integration, alliance, diversification and expansion</li> <li>• Review of strategies</li> </ul>



Functional strategies	<ul style="list-style-type: none"> <li>• Marketing, financial, production, human resources, research and development</li> <li>• Examples of functional strategies in the transport and logistics industry</li> </ul>
Implementation	<ul style="list-style-type: none"> <li>• Approaches on implementation: through structure, leadership, technology and human resources</li> <li>• Performance and implementation</li> <li>• Strategic implementation in transport and logistics firms</li> </ul>

### C. **Organisation Planning and Decision Making**

Key Knowledge Areas	Coverage
Organisation goals	<ul style="list-style-type: none"> <li>• The managerial hierarchy</li> <li>• Mission, goals, objectives, strategies and policies</li> <li>• Hierarchy of goals</li> </ul>
Planning and the organisational hierarchy	<ul style="list-style-type: none"> <li>• Nature of decisions and the organisational hierarchy</li> <li>• Planning at the divisional and functional levels</li> </ul>
Information and planning	<ul style="list-style-type: none"> <li>• Information needs of decision makers</li> <li>•</li> </ul>
Planning and decision making techniques in the logistics and transport trades	<ul style="list-style-type: none"> <li>• Common decisions in the logistics and transport trades</li> <li>• Common planning and decision making tools: optimisation and scheduling</li> </ul>

### D. **Measuring Performance and Innovation**

Key Knowledge Areas	Coverage
Managing productivity and quality	<ul style="list-style-type: none"> <li>• Meaning of productivity, its importance and trends</li> <li>• Productivity-quality connections</li> <li>•</li> </ul>
Performance measures	<ul style="list-style-type: none"> <li>• Setting up of standard operation procedures</li> <li>• Determination of key performance indices</li> <li>• Establishment of service level agreements</li> </ul>
Benchmarking	<ul style="list-style-type: none"> <li>• Concept <b>and purposes</b> of benchmarking</li> <li>• The benchmarking process</li> <li>• Benchmarking in the transport and logistics industry</li> </ul>
Innovation	<ul style="list-style-type: none"> <li>• Quantum vs. incremental product innovations</li> <li>• Strategies to promote innovation</li> </ul>

### E. **Project Management and Negotiation**

Key Knowledge Areas	Coverage
Project Management	<ul style="list-style-type: none"> <li>• Concepts of project management</li> <li>• Role of project management</li> <li>• Project management as quality control</li> </ul>
Elements and tools of project management	<ul style="list-style-type: none"> <li>• Mission, vision, goals and objectives</li> <li>• Budgeting, work flow, schedule, milestones, control and evaluation</li> </ul>

	<ul style="list-style-type: none"> <li>Tools: arrow diagram, Gantt chart, critical path analysis, risk matrix etc.</li> </ul>
Conflicts and negotiation	<ul style="list-style-type: none"> <li>Types of sources of conflicts</li> <li>Distributive negotiation and Integrative Bargaining</li> <li>Negotiation strategy, games theory</li> <li>Process of formulating negotiation strategy</li> <li>Negotiation in transport and logistics issues</li> </ul>

## **F. Leadership, Motivation and Development of People**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Leadership and its styles	<ul style="list-style-type: none"> <li>Leader vs. non-leaders</li> <li>Traits of a leader</li> <li>Main leadership styles</li> <li>Classical and contemporary views on leadership</li> </ul>
Motivation theories and their applications	<ul style="list-style-type: none"> <li>Correction between needs and motivation</li> <li>Motivation theories: Maslow, McGregor, Herzberg, expectancy, equity and goal-setting theory etc.</li> <li>Pay and motivation and uses of monetary and non-monetary motivators</li> </ul>
Individual and group behaviour	<ul style="list-style-type: none"> <li>Different aspects of organisational behaviour</li> <li>Components of attitude, personality, perception and learning</li> <li>Group dynamics: groups in organisations and group conformity</li> <li>Political behaviour in organisations</li> </ul>
Managing work teams	<ul style="list-style-type: none"> <li>Stages of group and team development</li> <li>Techniques on managing work teams</li> <li>Interpersonal and group conflicts</li> <li>Conflict resolution</li> <li>Multicultural environments</li> </ul>

## **G. Productivity, Quality and Operations Management**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Productivity and quality	<ul style="list-style-type: none"> <li>The nature of value, productivity and quality</li> <li>Measuring productivity and quality</li> </ul>
Operations management system	<ul style="list-style-type: none"> <li>Resource transformation process</li> <li>Operations planning and control</li> </ul>
Improving productivity and quality	<ul style="list-style-type: none"> <li>Factors affecting productivity and quality</li> <li>Basic tools: operations research, value engineering, work simplification, statistical control and quality circles</li> <li>Total quality management</li> <li>ISO framework, continuous improvement and business process reengineering</li> </ul>
Supply chain management	<ul style="list-style-type: none"> <li>Concepts of the value chain and supply chain</li> <li>Managing the global supply chain</li> </ul>

## H. Managing Information Systems

Key Knowledge Areas	Coverage
Information and communication	<ul style="list-style-type: none"> <li>• Types of information <ul style="list-style-type: none"> <li>○ Pre-transaction, transaction and post-transaction</li> <li>○ Pre-trip or en route</li> </ul> </li> <li>• Information users <ul style="list-style-type: none"> <li>○ Shipper; carrier; receiver etc.</li> <li>○ Passengers; drivers, the public</li> </ul> </li> <li>• Information flows</li> </ul>
Information Systems	<ul style="list-style-type: none"> <li>• System concept</li> <li>• Input, processing, output</li> <li>• Feedback and control</li> <li>• Types of information systems <ul style="list-style-type: none"> <li>○ Operations support systems</li> <li>○ Management support systems</li> <li>○ Knowledge management systems</li> <li>○ Functional business systems</li> </ul> </li> <li>• People resources and institutional arrangements</li> </ul>
Information Technology	<ul style="list-style-type: none"> <li>• Data management</li> <li>• <b>Artificial Intelligence</b></li> </ul>
Strategic role of information technology	<ul style="list-style-type: none"> <li>• Strategic advantage <ul style="list-style-type: none"> <li>○ Cost Reduction</li> <li>○ Differentiation</li> <li>○ Innovation</li> <li>○ Promote growth</li> <li>○ Formation of alliances</li> </ul> </li> <li>• Support management decision-making processes</li> </ul>
Security management of information technology	<ul style="list-style-type: none"> <li>• System vulnerability</li> <li>• Types of risk in e-Business</li> <li>• Risk assessment and reduction</li> <li>• System Auditing</li> <li>• Various types of security control</li> </ul>
Managing data resources	<ul style="list-style-type: none"> <li>• Data storage</li> <li>• Data structure</li> <li>• Data management</li> </ul>
Networks	<ul style="list-style-type: none"> <li>• Wide area and local area networks</li> <li>• Interconnected networks – Internet, Intranet and Extranet</li> <li>• Client / server and inter-organisational network</li> <li>• Telecommunication and wireless systems</li> <li>• Development trends in network technology</li> </ul>
Changing roles of information systems	<ul style="list-style-type: none"> <li>• Data processing</li> <li>• Management reporting</li> <li>• Decision support</li> <li>• Strategic information</li> <li>• Electronic business and commerce</li> </ul>
Information system and logistics	<ul style="list-style-type: none"> <li>• Web-based platforms as communication devices</li> <li>• Documentation transfer</li> </ul>

	<ul style="list-style-type: none"> <li>• Extend connectivity with trading partners</li> <li>• Enhance customer services</li> <li>• Logistics management systems</li> <li>• E-government and logistics practices</li> </ul>
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## **I. Business Ethics and Corporate Social Responsibility**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Stakeholders and ethics	<ul style="list-style-type: none"> <li>• Nature of ethics</li> <li>• Ethics and law</li> <li>• Stakeholder model of responsibility</li> </ul>
Business ethics and social responsibility	<ul style="list-style-type: none"> <li>• Business and managerial ethics</li> <li>• Social consciousness</li> <li>• Societal ethics; occupational ethics, individual ethics and organisational ethics</li> </ul>
Corporate social responsibility (CSR) / <b>Environmental, Social and Governance</b>	<ul style="list-style-type: none"> <li>• <b>Importance of CSR / ESG initiatives</b></li> <li>• Various aspects of <b>application of CSR / ESG</b></li> <li>• Approaches to social responsibility</li> <li>• Organisation culture and social responsibility</li> </ul>

## **Core Reading**

David, F.R. (2023). *Strategic Management: A Competitive Advantage Approach, Concepts and Cases*, 17<sup>th</sup> ed. Pearson, US.

Robbins, S.P., De Cenzo, D.A. and Coulter, M. (2020). *Fundamentals of Management: Essential Concepts and Applications*, 11<sup>th</sup> ed. Pearson, US.

Griffin, R.W. (2022). *Management*, 13th Ed. Cengage Learning, US.

## **References**

Robbins, S.P. and Coulter, M. (2017) *Management*, 14<sup>th</sup> ed. Pearson, US.

Johnson, G., Scholes, K. and Whittington, R. (2015). *Fundamentals of Strategy*, Pearson, US.

Laudon, K.C. and Laudon, J.P. (2023). *Essentials of Managing Information Systems*, 15<sup>th</sup> ed. Prentice Hall, US.

Sunil Luthra, Dixit Garg, Ashish Agarwal, Sachin K. Mangla (2020), *Total Quality Management (TQM) - Principles, Methods, and Applications*, CRC Press, US

## **Advanced Level**

### **Transport Management Stream / Logistics Management Stream**

#### **AL 1: Law of Business and Carriage**

##### ***Synopsis***

This subject gives an introduction to the basic business and carriage law. It covers two main general legal principles of business law, namely negligence and contract. The law covers the carriage of goods by air, sea and land, and their associated international conventions, insurance and arbitration – an alternative dispute resolution method that is getting more and more important in the transport and shipping industry. It is the intention that knowledge of the general concepts and understanding of the associated legal principles and applications are sufficient to meet the expectation of this subject.

##### ***Outline Subject Content***

- A. Legal Systems
- B. Law of Contract
- C. Law of Negligence
- D. Law of Agency
- E. Law of Carriage
- F. Arbitration
- G. Insurance

##### ***Standard of Knowledge and Competence***

###### **A. Legal Systems**

###### **The Candidate has to demonstrate knowledge of:**

- Categories of law
- Sources of law
- Legislative procedures
- International conventions
- Ordinances and regulations related to international trade, transport and logistics in Hong Kong

###### **The candidate should be able to:**

- Develop ability to address legal issues by understanding the national jurisdiction, sources of legal power
- Describe law making and amendment processes
- Understand how international treaties or conventions may have legal implications on business operations
- Identify relevant ordinances and delegated legislation in Hong Kong that regulate international trade / passenger transport / shipping / logistics operations

**B. Law of Contract**

**The Candidate has to demonstrate knowledge of:**

- The essential elements to form a contract
- The terms of a contract
- The privity of a contract
- The factors affecting the validity of a contract
- The discharge of a contract
- The remedies for breach of contract

**The Candidate should be able to:**

- Explain the three elements, namely the intention to create legal relations, the offer and acceptance and the consideration
- Understand the differences between terms and mere representation, conditions and warranties and expressed and implied terms
- State the case of “Dunlop Pneumatic Tyre Ltd vs. Selfridge & Co Ltd expressed by Viscount Haldane LC (1915) and the exceptions to the doctrine of privity of contract
- Explain the meaning of misrepresentation, mistake, duress, undue influence, incapacity and illegality
- Know how a contract can be discharged by performance, agreement, breach or frustration
- Identify the right to damages and the equitable remedies for breach of contract
- Apply legal concepts on analysing international trade, transport or logistics operations cases.

**C. Law of Negligence**

**The Candidate has to demonstrate knowledge of:**

- The general principle of the law of negligence (duty of care)
- A breach of the duty
- The meaning of causation of remoteness of damages
- The defence available
- The remedies

**The Candidate should be able to:**

- Explain the meaning of the standard of care and when a duty of care arises
- Express the objective test / guidelines on a reasonable person related to breach of duty
- Understand the “but for” test in *Cork vs. Kirby Maclean* (1952) and the reasonable foreseeable objective test for remoteness
- Explain what are contributory negligence, consent and exception clauses in business

**D. Law of Agency**

**The Candidate has to demonstrate knowledge of:**

- The general nature of agency
- Appointment of agents and formation of agency
- Authorities, rights and duties of an agent
- Liabilities for unauthorised acts
- Termination of agency

**The Candidate should be able to:**

- Understand the nature of agency in commercial contexts especially in the transport and logistics context
- Illustrate different ways of appointing an agent and the formation of an agency
- Examine the rights and duties of the principal and agent in the context of transport and logistics operations
- Examine the liabilities that might be taken by an agent
- Describe the reasons and process on termination of an agency

**E. Law of Carriage**

**The Candidate has to demonstrate knowledge of:**

- The common carrier and private carrier
- Functions and operations of transport documents such as Bills of Lading, Air Waybill
- Hague Visby Rules, Warsaw Convention, Hague Protocol, Guadalajara Convention, Rotterdam Rules
- Duties and liabilities of carriers
- Knowledge on pursuing claims

**The Candidate should be able to:**

- Distinguish between a common carrier and private carrier and understand the legal implications on carriers
- Illustrate understanding on operations of Bill of Lading and other transport documents on the carriage of goods by sea
- Illustrate understanding on the operations of Air Waybill and other transport documents on the carriage of goods by air
- Examine the background and legal implications on the Hague Visby Rules (HVR) under the context of carriage of goods by sea
- Examine the background and legal implications in the Warsaw Convention, Hague Protocol and Guadalajara Convention under the context of carriage of goods by air
- Examine the background and legal implications in the Rotterdam Rules that are governing the rights and obligations of shippers, carriers and consignees under a contract for door-to-door shipments that involve international sea transport
- Know how to protect the carrier's legal position by the defences available under HVR and observe the importance of the time limit under HVR
- Interpret the liability of a carrier for loss of or damage to cargo
- Know how the carrier's liability can be protected and how to determine the limit of liability

**F. Arbitration**

**The Candidate has to demonstrate knowledge of:**

- Meaning of arbitration, mediation and negotiation
- Types of arbitration
- Arbitration agreement
- Arbitral tribunal – the appointment, removal and jurisdiction of the arbitrator
- The arbitral process and power of the arbitrators
- The award and the enforcement

**The Candidate should be able to:**

- State the differences between the various types of ADR and the advantages and disadvantages of arbitration
- Explain the meaning and the differences between international and domestic arbitration and ad hoc and institutional arbitration
- Understand the importance of arbitration agreements and what essentials are contained therein, such as jurisdiction and number of arbitrators
- Explain how an arbitral tribunal is formed and the provision in the legislation related to the appointment, removal and jurisdiction of the arbitrator
- State the fundamental principles of an arbitral process and the powers of arbitrators
- Know what an award is and recourse against the award, and the application of the New York Convention
- Understand the application and requirements under the Arbitration Ordinance 1996 in Hong Kong

**G. Insurance**

**The Candidate has to demonstrate knowledge of the:**

- Parties involved
- Types of insurance documents
- Meaning of contract of indemnity
- Meaning of utmost good faith
- Meaning of disclosure by the assured
- Meaning of insurable interest
- Claims procedures and documents needed

**The Candidate should be able to:**

- Identify the parties involved in an insurance arrangement
- Explain different types of insurance documents and their functions
- Understand the principle of indemnity
- Understand that a contract for cargo or passenger insurance as a contract is based upon the utmost good faith and the legal consequences of not complying with such duty
- Explain the disclosure duty of the assured
- Explain the meaning of insurable interest and the particular moment that an assured must have an insurable interest
- Distinguish different types of insurance products and the coverage, and explain the expected perils of either freight or passenger transport
- Identify the documents needed in submitting a claim

***Key Knowledge Areas***

**A. Legal Systems**

Key Knowledge Areas	Coverage
Legal systems	<ul style="list-style-type: none"><li>• Categories of law</li><li>• Court systems</li><li>• Sources of law such as precedents, customs, legislation etc.</li><li>• By-laws</li></ul>



Legislative procedures	<ul style="list-style-type: none"> <li>• Bill drafting, bills committee, readings and publication</li> <li>• Amendment</li> </ul>
International conventions	<ul style="list-style-type: none"> <li>• International conventions related to transport and logistics operations, such as: Hague Rules, Hague-Visby Rules; Hamburg Rules; Warsaw Convention 1929; Hague Protocol 1955 etc.</li> </ul>
Ordinances and regulations	<ul style="list-style-type: none"> <li>• Ordinances and regulations in Hong Kong relevant to the following areas: <ul style="list-style-type: none"> <li>○ International trade</li> <li>○ Maritime and shipping</li> <li>○ Land transport</li> <li>○ Air transport</li> </ul> </li> </ul>

## **B. Law of Contract**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Essential elements	<ul style="list-style-type: none"> <li>• Offer and acceptance</li> <li>• Legal intention</li> <li>• Consideration</li> </ul>
Terms of contract	<ul style="list-style-type: none"> <li>• Distinction between terms and misrepresentation</li> <li>• Express and implied terms</li> <li>• Conditions and warranties</li> <li>• Intermediate or innominate terms</li> <li>• Exclusion clauses</li> </ul>
Privity of contract	<ul style="list-style-type: none"> <li>• Meaning of the doctrine of privity of contract</li> <li>• Exceptions to the rule</li> </ul>
Vitiating factors	<ul style="list-style-type: none"> <li>• Definition, form and remedies of misrepresentation</li> <li>• Meaning and types of mistakes</li> <li>• Definition and consequences of duress and undue influence</li> <li>• Incapacity – minors, corporations, persons of unsound mind etc</li> <li>• Illegality-breaking the law and breaches of public morality</li> </ul>
Discharge of a contract	<ul style="list-style-type: none"> <li>• General rule of performance</li> <li>• Discharge by agreement – mutual or unilateral</li> <li>• Frustration – meaning, limitations and effects on the doctrine of frustration</li> <li>• Breach – anticipatory breach</li> </ul>
Remedies	<ul style="list-style-type: none"> <li>• Common law remedies – damages</li> <li>• Remoteness of damages, causation and types of damages recoverable</li> <li>• Equitable remedies-specific performance and injunction</li> </ul>
Application	<ul style="list-style-type: none"> <li>• Identify legal principles to analyse cases related to sale of goods, contract of carriage or related to transport and logistics operations</li> </ul>

### C. Law of Negligence

Key Knowledge Areas	Coverage
Duty of care	<ul style="list-style-type: none"> <li>• Neighbour principle – Donoghue vs. Stevenson (1932)</li> <li>• For economic loss – Smith vs. Bush (1990)</li> <li>• Types of economic loss</li> <li>• Negligence misrepresentation – Caparo Industries vs. Dickman (1990)</li> </ul>
Breach of duty	<ul style="list-style-type: none"> <li>• Reasonable man test / how a reasonable man would act</li> <li>• Standard of care</li> <li>• Proof on balance of probabilities</li> </ul>
Causation and remoteness	<ul style="list-style-type: none"> <li>• “but for” test – Cork vs. Kirby Maclean (1952), Barnett vs. Chelsea and Kensington (1969)</li> <li>• Proof of causation</li> <li>• Intentional damage</li> <li>• Unintentional damage – reasonable foreseeable test for remoteness</li> <li>• Intervening act (novus actus interventions)</li> </ul>
Defence	<ul style="list-style-type: none"> <li>• General rule and meaning</li> <li>• S21 Law Amendment and Reform (Consolidation) Ordinance (Cap 23)</li> <li>• Consent – Slater vs. Clay Cross (1956)</li> <li>• Limitation – Control of Exemption Clauses Ordinance (Cap 71)</li> </ul>

### D. Law of Agency

Key Knowledge Areas	Coverage
The general nature of agency	<ul style="list-style-type: none"> <li>• Concept of agent</li> <li>• Principal-agent relationship</li> <li>• Classes of agents</li> <li>• Types of authorities</li> </ul>
Appointment of agents and formation of agency	<ul style="list-style-type: none"> <li>• Appointment</li> <li>• Estoppel</li> <li>• Ratification</li> <li>• Necessity</li> </ul>
Authority, rights and duty of an agent	<ul style="list-style-type: none"> <li>• Authority of an agent</li> <li>• Rights of an agent such as remuneration, compensation and indemnity</li> <li>• Duties of an agent such as obeying of instruction, communication etc.</li> <li>• Applications</li> </ul>
Liabilities for unauthorised acts	<ul style="list-style-type: none"> <li>• Agent to third party</li> <li>• Principal to agent</li> <li>• Agent to principal</li> </ul>
Termination of agency	<ul style="list-style-type: none"> <li>• Discharge of contractual obligations</li> <li>• Renouncing the business of agency</li> <li>• Operation of law</li> </ul>

## E. Law of Carriage

Key Knowledge Areas	Coverage
Types of carriers	<ul style="list-style-type: none"> <li>• Common carriers</li> <li>• Private carriers</li> </ul>
Functions and operations of transport documents	<ul style="list-style-type: none"> <li>• Functions of Bill of Lading</li> <li>• Functions of Air Waybill</li> <li>• Operations of Bill of Lading and Air Waybill</li> <li>• Absence, irregularity or loss of Air Waybill</li> <li>• Carrier's obligations under the implied terms in common law</li> </ul>
International conventions and their implications on carriage of goods by various modes	<ul style="list-style-type: none"> <li>• Carriage of Goods by Sea Act 1971 (COGSA 1971)</li> <li>• Hague Rules, Hague-Visby Rules (HVR) and Hamburg Rules</li> <li>• Applications of HVR: "voyage", "documents" and "goods"</li> <li>• Warsaw Convention 1929</li> <li>• Hague Protocol 1955 (the amended Convention)</li> <li>• Guadalajara Convention 1961</li> <li>• Rotterdam Rules</li> </ul>
Duties and liabilities of carriers	<ul style="list-style-type: none"> <li>• Scope, duties and liabilities under the international conventions adopted</li> <li>• Duties of carrier, such as seaworthiness; handling cargo properly and carefully; issue of Bills of Lading</li> <li>• Defences of carrier <ul style="list-style-type: none"> <li>○ All necessary measures</li> <li>○ Contributory negligence</li> </ul> </li> <li>• Limitation of liability</li> </ul>
Pursuing claims	<ul style="list-style-type: none"> <li>• Time limit in pursuing claims</li> <li>• Importance of time limit</li> <li>• Determination of liability limit</li> <li>• Reduction of limitation of liability</li> <li>• Wilful misconduct</li> </ul>

## F. Arbitration

Key Knowledge Areas	Coverage
Arbitration, mediation and negotiation	<ul style="list-style-type: none"> <li>• Types of alternative dispute resolution, advantages and disadvantages of each type</li> </ul>
Types of arbitration	<ul style="list-style-type: none"> <li>• Definition of international and domestic arbitration</li> <li>• Institutional and ad hoc arbitration –advantages and disadvantages</li> <li>• Document only arbitration</li> <li>• Instant arbitration</li> </ul>
Arbitration agreement	<ul style="list-style-type: none"> <li>• When to conclude an arbitration agreement</li> <li>• Arbitration agreement in writing</li> <li>• Jurisdiction and seal of arbitration</li> </ul>
Arbitral tribunal	<ul style="list-style-type: none"> <li>• Appointment, removal and jurisdiction of</li> </ul>

	<p>arbitrators</p> <ul style="list-style-type: none"> <li>• Responsibilities of an arbitral tribunal</li> <li>• Number of arbitrators – umpires</li> <li>• Role of HKIAC</li> </ul>
Arbitral process and powers of the arbitrators	<ul style="list-style-type: none"> <li>• Procedures to be adopted</li> <li>• Domestic Arbitration Rule of HKIAC and UNCITRAL Model Arbitration Rules</li> <li>• Provisions in HKAO 1996 related to the powers of the court and arbitral tribunal</li> <li>• Costs in arbitration – cost of reference and cost of the parties</li> </ul>
The award and the enforcement	<ul style="list-style-type: none"> <li>• Types of award-interim and final</li> <li>• Provision in HKAO 1996</li> <li>• Is arbitration appealable as of right</li> <li>• Recourse of action</li> <li>• Grounds for setting aside the award</li> <li>• Nema Guidelines</li> <li>• New York Convention</li> </ul>

## G. Insurance

Key Knowledge Areas	Coverage
Parties involved	<ul style="list-style-type: none"> <li>• The roles played by the assured, insurance broker, insurance agent and underwriter</li> <li>• Interests of various parties</li> </ul>
Contract indemnity	<ul style="list-style-type: none"> <li>• Concept on contract indemnity</li> <li>• <i>Castellain v Preston</i> [1883]</li> </ul>
Utmost good faith	<ul style="list-style-type: none"> <li>• Concept on utmost good faith and its importance</li> <li>• Meaning of “uberrimae fidei”</li> <li>• Consequence of non-compliance</li> </ul>
Disclosure by assured	<ul style="list-style-type: none"> <li>• Concept on disclosure by assured</li> <li>• Meaning of material circumstances</li> <li>• Circumstances that need not be disclosed in the absence of an inquiry</li> <li>• S20 Marine Insurance Ordinance</li> <li>• Consequence of non-compliance</li> </ul>
Insurable interest	<ul style="list-style-type: none"> <li>• Concept on insurable interest, gaming or wagering contract</li> <li>• S5 Marine Insurance Ordinance</li> <li>• The moment that an assured must have an insurable interest</li> <li>• S6 Marine Insurance Ordinance</li> <li>• Consequence of no insurable interest – S75 (2) Marine Insurance Ordinance</li> </ul>
Insurance product and coverage	<ul style="list-style-type: none"> <li>• Various types of insurance</li> <li>• Risks coverage on standard insurance products</li> </ul>
Claims procedures and document	<ul style="list-style-type: none"> <li>• Procedures on claims</li> <li>• Documents needed to substantiate a claim</li> <li>• Time bars</li> <li>• Conclude a claim</li> </ul>

### **Core Reading**

Chan, F.W.H., Ng, J.J.M. and Wong, B.K.Y. (2002). *Shipping and Logistics Law: Principles and Practice in Hong Kong*. Hong Kong University Press, Hong Kong.

Stott, V. (2019). *An Introduction to Hong Kong Business Law*, 5<sup>th</sup> ed. Prentice Hall, Hong Kong.

### **References**

Hoeks, M. (2010). *Multimodal Transport Law: The Law Applicable to Multimodal Contract for the Carriage of Goods*. Kluwer Law International.

Lo, S.H.C., Cheng, K.K. and Chui, W.H. (2019). *Hong Kong Legal System*, 2<sup>nd</sup> ed. Cambridge University Press.

Rogers, A., Chuah, J., Dockray, M. (2020). *Cases and Materials on the Carriage of Goods by Sea*. 5th ed. Routledge.

Soyer, B. and Tettenborn, A. (2014). *Carriage of Goods by Sea, Land and Air: Uni-modal and Multi-modal Transport in the 21st Century*. 1st ed. Routledge.

Wilson, J.F. (2010). *Carriage of Goods by Sea*. Pearson, UK.

#### **Hong Kong Legislations**

*Carriage of Goods by Sea Ordinance* (Cap 462)

*Import and Export Ordinance* (Cap. 60)

*Limitation Ordinance* (Cap. 347)

*Sale of Goods Ordinance* (Cap. 26)

*Unconscionable Contracts Ordinance* (Cap. 458)

## **Advanced Level**

### **Transport Management Stream**

#### **AL 2: Transport Systems and Management**

##### ***Synopsis***

This subject presents a fundamental understanding of the principles of operations systems and management, as applied to passenger transport. The emphasis is on appraising how operators can use these principles in their own workplace and to make comparisons with other transport undertakings.

It covers aspects of similarities and differences between different modes of transport, and between passenger and freight undertakings. The subject also requires a sound understanding of the management theories and processes associated with the formulation of urban transport policy and planning.

##### ***Outline Subject Content***

- A. Transport Systems
- B. Transport Modes and Operational Characteristics
- C. Transport Management
- D. International and Local Regulatory Bodies

##### ***Standard of Knowledge and Competence***

###### **A. Transport Systems**

###### **The Candidate has to demonstrate the knowledge of:**

- The recent concepts in transport systems
- The basic components in transport systems
- Interrelationships between various components
- Location of transport modes, connecting links and network structure
- The criteria for evaluating transport systems
- The role of humans in a transport system and their interactions
- Characteristics of passenger transport
- Products to be provided by suppliers

###### **The Candidate should be able to:**

- Use the system and component concepts to analyse transport issues
- Identify problems on various basic components of transport
- Examine various activities in the system processes
- Analyse transport systems and traffic problems in terms of points, nodes, linkage and network
- Evaluate the strengths and weaknesses of a transport system

- Discuss the interface between human and transport systems
- Illustrate, with examples, the characteristics of passenger transport operations
- Identify various types of services to be provided by suppliers

**B. Transport Modes and Operational Characteristics**

**The Candidate has to demonstrate the knowledge of:**

- Operations of various modes of transport
- Operational characteristics of various modes of transport
- Operational system of intermodal coordination
- Passenger demand and satisfaction
- Safety and security in passenger transport operations

**The Candidate should be able to:**

- Identify the strengths and weaknesses of various modes of transport
- Use the framework to select suitable modes of transport for people or goods transport
- Evaluate how the characteristics may affect the choice of users
- Develop methods to assess passenger demand and measure passenger satisfaction
- Explain the need for enhancing security, especially in international services

**C. Transport Management**

**The Candidate has to demonstrate the knowledge of:**

- Management functions related to transport systems
- Functions of transport management
- Use of intelligent transport systems in transport management
- Aspects and techniques on transport management measures

**The Candidate should be able to:**

- Apply management concepts to transport management issues
- Identify the specific functions of transport management
- Illustrate the importance of transport management in various aspects
- Identify various types of intelligent transport measures and discuss the applications of the measures on transport management
- Examine the use and effectiveness of various transport management measures

**D. International and Local Regulatory Bodies**

**The Candidate has to demonstrate the knowledge of the:**

- Objectives of setting regulations for public and private transport
- Reasons for having government involvement
- Legal framework on regulating passenger transport
- Functions, aims and activities of various regulatory bodies in transport sectors

**The Candidate should be able to:**

- Discuss the reasons for setting regulations
- Describe the framework for regulating transport in various levels
- Evaluate the effectiveness of the regulations on transport
- Identify the forms of regulating regimes
- Examine the role of the regulatory bodies on transport

## **Key Knowledge Areas**

### **A. Transport Systems**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Transport systems	<ul style="list-style-type: none"> <li>• Definitions</li> <li>• Basic components <ul style="list-style-type: none"> <li>○ Vehicles</li> <li>○ Ways</li> <li>○ Terminals</li> <li>○ Unit of Propulsion</li> </ul> </li> <li>• Routing and scheduling</li> <li>• Interrelationship among components</li> </ul>
Network analysis	<ul style="list-style-type: none"> <li>• Location of transport facilities</li> <li>• Formation of network</li> <li>• Links and nodes</li> <li>• Traffic flow of network</li> <li>• Minimum path analysis</li> </ul>
Passenger transport services	<ul style="list-style-type: none"> <li>• Characteristics of transport operations</li> <li>• Structure of the passenger transport industry</li> <li>• Various types of services to be provided by suppliers</li> </ul>
Evaluation criteria for transport system	<ul style="list-style-type: none"> <li>• Criteria on evaluating impacts <ul style="list-style-type: none"> <li>○ Energy consumption</li> <li>○ Air quality and noise pollution</li> <li>○ Equity</li> <li>○ Safety</li> <li>○ Congestion</li> <li>○ Land Use Impact</li> </ul> </li> <li>• Key Evaluation Criteria <ul style="list-style-type: none"> <li>○ Private and social costs</li> <li>○ Economic and financial costs</li> </ul> </li> <li>• The Success Criteria <ul style="list-style-type: none"> <li>○ Reliability</li> <li>○ Speed</li> <li>○ Convenience</li> <li>○ Personal security</li> <li>○ Comfort</li> <li>○ Consumer freedom</li> <li>○ Privacy</li> </ul> </li> </ul>
Human interaction with transport systems	<ul style="list-style-type: none"> <li>• User impacts: <ul style="list-style-type: none"> <li>○ Travel time</li> <li>○ Safety</li> <li>○ Comfort and convenience</li> </ul> </li> <li>• Non-user impacts: <ul style="list-style-type: none"> <li>○ Environmental concern</li> <li>○ Property value</li> <li>○ Land use and urban development</li> <li>○ Regional development</li> <li>○ Economic activities</li> <li>○ Social development</li> </ul> </li> </ul>



## **B. Transport Modes and Operational Characteristics**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Modes of transport	<ul style="list-style-type: none"> <li>• Various modes</li> <li>• Ways of various modes: Air, Sea and Land</li> <li>• Different modal characteristics</li> <li>• Inter-Modal Coordination (IMCP)</li> </ul>
Operational characteristics	<ul style="list-style-type: none"> <li>• Speed</li> <li>• Distance</li> <li>• Rate of Flow</li> <li>• Density</li> <li>• Capacity</li> <li>• Operator Cost</li> <li>• Level of Service</li> <li>• Comfortability</li> </ul>
Intermodal operations	<ul style="list-style-type: none"> <li>• Use of the ways, rights of traffic, unit of carriage, containers and unit load devices, loading and unloading devices, terminals and fuels</li> </ul>
Passenger demand and satisfaction	<ul style="list-style-type: none"> <li>• Factors affecting demand of transport</li> <li>• Fares, quantity demanded and factors affecting demand and demand elasticity</li> <li>• Factors affecting passengers' satisfaction</li> <li>• Ways of measuring passengers' satisfaction</li> <li>• Mechanism on regulating quality of passenger transport</li> </ul>
Safety and security	<ul style="list-style-type: none"> <li>• Importance of safety and measures on enhancing the safety of passengers</li> <li>• Arguments on enhancing passenger security</li> <li>• Security measures on international passenger services</li> </ul>

## **C. Transport Management**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Management functions and policy formation	<ul style="list-style-type: none"> <li>• Policy formulation process</li> <li>• Implementation procedures</li> <li>• Functions of management: <ul style="list-style-type: none"> <li>○ Planning</li> <li>○ Controlling</li> <li>○ Leading and directing</li> <li>○ Evaluating</li> </ul> </li> </ul>
Functions of transport management	<ul style="list-style-type: none"> <li>• Orderly and safe operation of the transport systems</li> <li>• Increasing the capacity of the transport systems for people and goods</li> <li>• Improvement of the quality of transport systems</li> <li>• Full or optimal utilisation of existing facilities</li> </ul>
Intelligent Transport System (ITS)	<ul style="list-style-type: none"> <li>• Elements of ITS</li> <li>• Objectives of using ITS</li> <li>• Effectiveness of using ITS</li> <li>• Global Positioning System and Geographic</li> </ul>

	<p>Information System</p> <ul style="list-style-type: none"> <li>• Remoting sensing and RFID</li> <li>• Use of information system and telecommunication on traffic management, emergency management, public transport and public transport enterprises</li> </ul>
Transport management measures	<ul style="list-style-type: none"> <li>• Demand side: <ul style="list-style-type: none"> <li>○ Land use planning and zoning</li> <li>○ Communication substitutes</li> <li>○ Traveller information services</li> <li>○ Economic measures</li> <li>○ Administrative measures</li> </ul> </li> <li>• Supply-Side <ul style="list-style-type: none"> <li>➤ Road traffic operation</li> <li>➤ Preferential treatment</li> <li>➤ Public transport operations</li> </ul> </li> </ul>

#### **D. International and Local Regulatory Bodies**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Reasons for regulation	<ul style="list-style-type: none"> <li>• Fundamental problems with the market mechanism: <ul style="list-style-type: none"> <li>○ Externality Public goods</li> <li>○ Social costs</li> <li>○ Indivisibility</li> </ul> </li> <li>• Government and market forces: <ul style="list-style-type: none"> <li>○ Monopolistic market structure</li> <li>○ Economies of scale</li> <li>○ Equity issues</li> </ul> </li> <li>• Some non-market considerations: <ul style="list-style-type: none"> <li>○ Safety standards</li> <li>○ Standards of operating efficiency</li> <li>○ Strategic military factors</li> </ul> </li> </ul>
Forms of regulating	<ul style="list-style-type: none"> <li>• State ownership</li> <li>• Licensing or legal control</li> <li>• Price control</li> <li>• Quantity control</li> <li>• Profit control</li> </ul>
Regulations	<ul style="list-style-type: none"> <li>• International framework on regulating transport industry</li> <li>• Government control on fares, quality of services, safety, pollution and sustainability</li> <li>• Local regulations on road traffic, public transport and equal opportunities</li> <li>• By-laws</li> </ul>
Regulating bodies	<ul style="list-style-type: none"> <li>• International and local regulatory bodies of : <ul style="list-style-type: none"> <li>○ Road transport</li> <li>○ Air transport</li> <li>○ Maritime transport</li> </ul> </li> </ul>

### ***Core Reading***

Tolley, R. and Turton, B.J. (2014). *Transport Systems, Policy and Planning: A Geographical Approach*. Routledge, London.

White, P.R. (2008). *Public Transport: Its Planning, Management and Operation*. Routledge, London.

### ***References***

Perallo, A., Hernandez-Jayo, U., Enrique, O. and Garcia-Zuazola, I.J. (2014). *Intelligent Transport Systems: Technologies and Applications*. Wiley, US.

Sinha, K.C. and Labi, S. (2007). *Transportation Decision making: Principles of Project Evaluation and Programming*. Wiley, US.

## **Advanced Level**

### **Transport Management Stream**

#### **AL 3: Sustainable Transport**

##### **Synopsis**

This subject presents the fundamentals of sustainable transport, which is an important area in the study of sustainable development. Sustainable transport concerns the interrelations between social, economic, and environmental issues in current and future transport systems.

This subject covers the various aspects of sustainable transport, including the engagement process of stakeholders in the **planning and** development of a transport system; the influence of technology on transport, road safety, fuel consumption and subsequent emissions and noise pollution; environmentally friendly vehicles and fuels; and the analytical ways of evaluating and regulating transport systems.

##### **Outline Subject Content**

- A. Understanding Sustainability**
- B. Social Sustainability in Transport**
  - 1. Governance and policy
  - 2. Engagement processes of stakeholders
  - 3. Influence of technology
- C. Economic Sustainability in Transport**
  - 1. Costs of transport
  - 2. Demand for transport
  - 3. Transport infrastructure financing and evaluation
  - 4. Regulating the transport system through pricing/**charging**
- D. Environmental Sustainability in Transport**
  - 1. Air pollution
  - 2. Other environmental issues
  - 3. Assessment of environmental impact
  - 4. Fuels and cleaner vehicles

##### ***Standards of Knowledge and Competence***

###### **A. Understanding Sustainability**

**The Candidate has to demonstrate the knowledge of the:**

- Definition of sustainable development
- Definition of social sustainability

- Definition of economic sustainability
- Definition of environmental sustainability
- Definition of sustainable transport

**The Candidate should be able to:**

- Define sustainable development and know that it is composed of three dimensions: social, economic and environmental
- Explore the factors that affect social sustainability
- Understand the important concepts in defining and evaluating economic sustainability
- Explore the factors that affect environmental sustainability
- State the nature of a transport system
- Define the criteria of a sustainable transport system
- Define the different indicators that are used to measure or quantify the sustainability of a transport system

**B. Social Sustainability in Transport**

**1. Governance and policy**

**The Candidate has to demonstrate the knowledge of the:**

- Global perspectives on public policy
- Local perspectives on public policy
- Barriers to policy implementation
- Different political theories that are applied to transport

**The Candidate should be able to:**

- State the tenets of the 1997 Kyoto Protocol
- Identify the barriers to the achievement of a global dimension for sustainable transport
- Understand the role of technology, economics, and land-use development policies
- Examine the needs of special groups such as the disabled, elderly, lower income class, students and women
- Identify and understand the different barriers to policy implementation
- Define the underlying principles, pros and cons of the political theories that are applied to transport

**2. Engagement processes of stakeholders**

**The Candidate has to demonstrate the knowledge of the:**

- Roles and values of transport services providers
- Participation of research and development groups
- Emerging of environmental pressure groups
- Special transport needs

**The Candidate should be able to:**

- Give the definition, aim, role, and influence of transport services providers on transport systems
- Illustrate the influence of research and development groups on transport systems
- Examine the influence of environmental and other pressure groups on transport systems

- Discuss the issues involved in fulfilling the transport needs of special groups

### **3. Influence of technology**

**The Candidate has to demonstrate the knowledge of the:**

- Relationship between technology and transport
- Nature of an intelligent transport system as a technology for the improvement of transport systems
- Limitations of technology

**The Candidate should be able to:**

- State the influence of technology on emissions, resource consumption, and travel behaviour
- Identify the different areas of **technology application** in intelligent transport systems
- Identify different enabling technologies for intelligent transport systems
- State the effect of intelligent transport systems on production, working, living, and traveling
- State the limitations of the technology
- **Understand the efficient use of road spaces through advance technology applications**

## **C. Economic Sustainability in Transport**

### **1. Costs of transport**

**The Candidate has to demonstrate the knowledge of:**

- Direct costs of transport
- External costs of transport
- Revealed and stated preferences
- Travel cost methods for evaluation

**The Candidate should be able to:**

- Determine the differences between short- and long-run costs
- Compare and contrast fixed and variable costs
- Understand average, marginal, and generalised costs
- Explain the effect of scale in estimating the costs of vehicle size and fleet size
- Categorise costs into common, joint, and specific costs according to the parties responsible for the costs
- Understand and use revealed preference, stated preference, and travel-cost methods for transport evaluation
- Define the economic cost of traffic congestion

### **2. Demand for transport**

**The Candidate has to demonstrate the knowledge of:**

- The effect of **planning and** land use development on travel demand
- The effect of user behaviour on travel demand
- Methods for the measurement of demand elasticity
- The interrelationship between the cost of and demand for transport

**The Candidate should be able to:**

- Understand the influence of the land use pattern, price of transport services, the

quality of services, income level, and user behaviour on demand for transport, and the relationship with sustainable transport

- Point out the difficulties in measuring demand elasticity
- State the factors, such as journey time and frequency of transport, that affect demand elasticity
- Explain the existence of an equilibrium price from the demand and supply curves of a transport system
- Extract information, such as consumer's surplus and total system cost, from the plot of the demand and supply curves of a transport system

### **3. Transport infrastructure financing and evaluation**

**The Candidate has to demonstrate the knowledge of:**

- Project financing
- Cost-benefit analysis

**The Candidate should be able to:**

- Describe private sector financing, public sector financing, and public-private partnership financing arrangements
- Perform a cost-benefit analysis of a simple project
- State the strengths and weaknesses of cost-benefit analysis as a project evaluation tool

### **4. Regulating transport systems through pricing**

**The Candidate has to demonstrate the knowledge of:**

- How to price or charge a transport service
- The nature of externalities-based charging
- The barriers to pricing and charging

**The Candidate should be able to:**

- Understand the principle of pricing transport services
- State the different objectives, such as profit and welfare maximisation, of transport service pricing
- Use the marginal cost pricing approach to price a transport service
- Point out the difficulties of pricing a transport service
- Understand the principle of charging
- Know the different types of externalities-based charging
- State the different objectives of congestion charging
- Design an optimal congestion charge using demand and supply curves based on the marginal cost approach
- State the different environmental pricing methods
- Understand the different barriers to charging in a transport system

## **D. Environmental Sustainability in Transport**

### **1. Air pollution**

**The Candidate has to demonstrate the knowledge of:**

- The sources of emission
- The different types of air pollutants and their origins
- The consequences of air pollution to human health

**The Candidate should be able to:**

- Identify different on-road and off-road emission sources of air pollutants
- Identify the origins and consequences of air pollutants
- Describe the different consequences of air pollution and the specific causes of these consequences
- Identify measures (either traffic management or application of technology) to reduce road emissions

**2. Other environmental issues**

**The Candidate has to demonstrate the knowledge of:**

- Definition of traffic noise and sources of traffic noise
- Consequences of traffic noise to human health
- More emphasis on pedestrian needs
- Effect of transport on amenities and severance

**The Candidate should be able to:**

- Define sources of noise, such as road traffic noise, railway noise, and aircraft noise
- State the scale and instruments that are used in the assessment of transport noise
- Understand the effect of noise on the community health, and sleep patterns
- Understand the principles of different types of noise abatement measures such as noise barriers, low noise road surfacing, etc.
- State the cause of and mitigation measures for road traffic noise that is caused by traffic like braking, surface water, steep gradient, etc.
- Understand the principles of risk assessments, such as quantitative risk assessments, “as low as reasonably practical” (ALARP) risk, and tolerable and negligible risk
- Value the cost of risk
- Understand the walking and park-and-ride are other kinds of sustainable form of transport and how to promote walking and park-and-ride in local
- Understand the pedestrian schemes
- Describe a method for amenity and severance assessment
- Describe the impact of transport amenities and severance and measures for their mitigation

**3. Assessment of environmental impact**

**The Candidate has to demonstrate the knowledge of:**

- Principles and processes of Environmental Impacts Assessment (EIA)
- Use, scope and objectives of EIA
- Evaluation techniques for the assessment of environment impact
- Limitations of EIA

**The Candidate should be able to:**

- Explain and describe the principles and the processes of EIA (the new EIAO and TM which come into effect in 2023)
- Examine the use of EIA on transport issues
- Understand the principle and usage of different evaluation techniques (avoided costs, contingent valuation, and travel cost model)
- Understand the limitations of EIA in the project implementation



#### 4. Fuels and cleaner vehicles

**The Candidate has to demonstrate the knowledge of:**

- The commonly used fuels and their consumption and impact on the environment
- Alternative fuels and their prospects
- Cleaner vehicles and their advantages

**The Candidate should be able to:**

- State the origins, usage, and impact of gasoline and diesel on the environment
- Identify different kinds of alternative fuels (like LPG and electric) and describe their future prospects and limitations in Hong Kong
- Compare different kinds of cleaner vehicles
- State the advantages of cleaner vehicles

### **Key Knowledge Areas**

#### **A. Understanding Sustainability**

Key Knowledge Areas	Coverage
Sustainable development	<ul style="list-style-type: none"> <li>• Concept of sustainable development</li> <li>• The three different aspects: social, economic and environmental</li> </ul>
Social sustainability	<ul style="list-style-type: none"> <li>• Cohesion of community</li> <li>• Laws and civil rights</li> <li>• Moral traditions and values</li> <li>• Education and the health and nutrition of the individual</li> <li>• The sustainable development ethics</li> <li>• Equity and equal opportunity</li> </ul>
Economic sustainability	<ul style="list-style-type: none"> <li>• Economic capital</li> <li>• Concepts of social costs, total costs, and beneficiaries</li> <li>• Concepts of evaluating environmental externalities</li> <li>• Sustainability as an economic investment</li> </ul>
Environmental sustainability	<ul style="list-style-type: none"> <li>• Natural capital</li> <li>• Sources of raw materials</li> <li>• Understanding of renewable and non-renewable resources</li> <li>• Disposal of human waste</li> </ul>
Sustainable transport	<ul style="list-style-type: none"> <li>• Nature of a transport system</li> <li>• Criteria of sustainable transport</li> <li>• Sustainability indicators</li> </ul>

#### **B. Social Sustainability in Transport**

##### **1. Governance and policy**

Key Knowledge Areas	Coverage
Global perspectives	<ul style="list-style-type: none"> <li>• Global organisations and conventions including Framework Convention on Climate Change, Convention on Bio-diversity and 1997 Kyoto Protocol to the United Nations Framework on</li> </ul>

	<p>Climate Change</p> <ul style="list-style-type: none"> <li>• Role of transport in sustainable development</li> <li>• Barriers to achieving sustainable transport</li> </ul>
National and local perspectives	<ul style="list-style-type: none"> <li>• Role of technology policy</li> <li>• Role of economic and fiscal policy</li> <li>• Role of physical land-use and development policy</li> <li>• Equity and equal opportunity</li> <li>• Transport needs of the disabled, elderly, lower income class, school children and women</li> </ul>
Barriers	<ul style="list-style-type: none"> <li>• Resources barriers</li> <li>• Institutional and policy barriers</li> <li>• Social and cultural barriers</li> <li>• Financial constraints</li> <li>• Legal barriers</li> <li>• Side effects</li> <li>• Other (physical) barriers</li> </ul>
Governing regimes	<ul style="list-style-type: none"> <li>• Nationalisation of transport</li> <li>• Privatisation of transport</li> <li>• Regulated and deregulated markets</li> </ul>

## 2. Engagement processes of stakeholders

Key Knowledge Areas	Coverage
Transport service providers	<ul style="list-style-type: none"> <li>• Definition</li> <li>• Aim and role of the sector</li> <li>• Engagement channels and impacts</li> </ul>
Research and development groups	<ul style="list-style-type: none"> <li>• Definition</li> <li>• Aim and role of the sector</li> <li>• Engagement channels and impacts</li> </ul>
Environmental and other pressure groups	<ul style="list-style-type: none"> <li>• Definition</li> <li>• Aim and role of the sector</li> <li>• Engagement channels and impacts</li> </ul>

## 3. Influence of technology

Key Knowledge Areas	Coverage
Technology and transport	<ul style="list-style-type: none"> <li>• Influence of technology on transport</li> <li>• Influence of technology on environment</li> </ul>
Intelligent Transport System (ITS)	<ul style="list-style-type: none"> <li>• Different areas of an ITS</li> <li>• ITS-enabling technologies</li> <li>• Effect of an ITS</li> </ul>
Limitations of technology	<ul style="list-style-type: none"> <li>• Less socialising society</li> <li>• Disparity between rich and poor</li> <li>• Desirability of having a pollution-free vehicle</li> </ul>

## C. Economic Sustainability in Transport

### 1. Costs of transport

Key Knowledge Areas	Coverage
Direct costs	<ul style="list-style-type: none"> <li>• Short-run vs. long-term cost</li> <li>• Fixed and variable cost</li> </ul>

	<ul style="list-style-type: none"> <li>• Average and marginal cost</li> <li>• The effect of scale</li> <li>• Responsibility for cost</li> <li>• Generalised cost</li> </ul>
External costs	<ul style="list-style-type: none"> <li>• Pecuniary and technological externalities</li> <li>• Evaluation of externalities</li> <li>• Congestion and pollution</li> </ul>

## 2. Demand for transport

Key Knowledge Areas	Coverage
Factors affecting travel demand	<ul style="list-style-type: none"> <li>• Land use development</li> <li>• Price of transport services</li> <li>• Quality of services</li> <li>• Income levels</li> <li>• Travel behaviour</li> </ul>
Measures of demand elasticity	<ul style="list-style-type: none"> <li>• Difficulties in measuring demand elasticity</li> <li>• Differences in the elasticity of different transport services</li> <li>• Factors affecting the elasticity of demand</li> </ul>
Interrelationship between the cost of and demand for transport	<ul style="list-style-type: none"> <li>• Introduction of demand and supply curves for transport systems</li> <li>• Existence of an equilibrium price</li> <li>• Extracting information from demand and supply curves</li> </ul>

## 3. Transport infrastructure financing and evaluation

Key Knowledge Areas	Coverage
Types of project financing	<ul style="list-style-type: none"> <li>• Private sector financing</li> <li>• Public sector financing</li> <li>• Public-private partnership</li> </ul>
Cost-Benefit Analysis (CBA)	<ul style="list-style-type: none"> <li>• Principles and formulas</li> <li>• Evaluation of the opportunity cost of capital</li> <li>• Strengths of cost-benefit analysis</li> <li>• Weaknesses of cost-benefit analysis</li> </ul>

## 4. Regulating transport systems through pricing

Key Knowledge Areas	Coverage
Pricing transport services	<ul style="list-style-type: none"> <li>• Principles of transport service pricing</li> <li>• Different objectives of pricing</li> <li>• Marginal cost pricing</li> <li>• Difficulties of pricing</li> </ul>
Externalities-based charging	<ul style="list-style-type: none"> <li>• Principles of charging</li> <li>• Congestion charging</li> <li>• Time-varying charging tolls</li> <li>• Pollution charging</li> </ul>
Barriers to charging	<ul style="list-style-type: none"> <li>• Fairness</li> <li>• Technological barriers</li> <li>• Public acceptance</li> <li>• Interests of service providers</li> </ul>

	<ul style="list-style-type: none"> <li>• Cooperation between service providers</li> </ul>
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## **D. Environmental Sustainability in Transport**

### **1. Air pollution**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Sources of emission	<ul style="list-style-type: none"> <li>• On-road sources</li> <li>• Off-road sources</li> </ul>
Air pollutants and their origins	<ul style="list-style-type: none"> <li>• Carbon dioxide</li> <li>• Carbon monoxide</li> <li>• Sulphur dioxide</li> <li>• Particulate matters</li> <li>• Ozone</li> <li>• Nitrogen dioxide</li> <li>• Other toxins</li> </ul>
Consequences of air pollution	<ul style="list-style-type: none"> <li>• Reduction in visibility</li> <li>• Health effect</li> <li>• Crop loss</li> <li>• Material damage</li> <li>• Forest damage</li> <li>• Climate change (global warming)</li> </ul>

### **2. Other environmental issues**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Noise	<ul style="list-style-type: none"> <li>• Sources of noise</li> <li>• Assessment of transport noise</li> <li>• Effect of noise on humans</li> <li>• Noise abatement</li> <li>• <b>Mitigation measures</b></li> </ul>
<b>Consequence of noise pollution</b>	<ul style="list-style-type: none"> <li>• Different kinds of risk</li> <li>• Risk assessment</li> <li>• Cost of risk</li> <li>• <b>Health Effect</b></li> </ul>
Amenity and severance	<ul style="list-style-type: none"> <li>• Definition of amenity and severance</li> <li>• Methods for assessing amenities and severance</li> <li>• Impact of transport on amenities and severance</li> <li>• Measures to improve amenities and reduce severance (policies and planning)</li> </ul>

### **3. Evaluation of environmental impact**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Environmental Impact Assessment (EIA)	<ul style="list-style-type: none"> <li>• Principles of EIA</li> <li>• Scope and objectives</li> <li>• Processes and procedures</li> <li>• Major environmental factors</li> <li>• Limitations of EIA</li> </ul>
Evaluation techniques	<ul style="list-style-type: none"> <li>• Change in customer and producer surplus</li> <li>• Avoided costs</li> <li>• Averting behaviour</li> </ul>

	<ul style="list-style-type: none"> <li>• Hedonic price method</li> <li>• Contingent valuation</li> <li>• Choice experiments</li> <li>• Travel cost models</li> </ul>
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#### 4. Fuels and cleaner vehicles

Key Knowledge Areas	Coverage
Commonly used fuels and their consumption and impacts on the environment	<ul style="list-style-type: none"> <li>• Gasoline</li> <li>• Diesel</li> <li>• Pollutants and environmental impacts</li> </ul>
Alternative fuels and their prospects	<ul style="list-style-type: none"> <li>• Compressed natural gas</li> <li>• Liquefied petroleum gas</li> <li>• Methanol</li> <li>• Ethanol</li> <li>• Biodiesel</li> <li>• Hydrogen</li> <li>• Electricity</li> <li>• Methane</li> </ul>
Cleaner vehicles and their advantages over vehicles with internal combustion engines	<ul style="list-style-type: none"> <li>• The internal combustion engine</li> <li>• Battery electric vehicles</li> <li>• Hybrid electric vehicles</li> <li>• Fuel cell vehicles</li> </ul>
Reducing emission	<ul style="list-style-type: none"> <li>• Measures for public transport</li> <li>• Measures for private transport</li> <li>• Measures for freight transport</li> </ul>

### **Core Reading**

Gerike, R. and Hulsmann, F. (2013). *Strategies for Sustainable Mobilities: Opportunities and Challenges*. Ashagte Publishing, US.

Tumlin, J. (2012). *Sustainable Transportation Planning: Tools for Creating Vibrant, Healthy and Resilient Communities*. Wiley, US.

Button, K. (2010). *Transport Economics*, 3<sup>rd</sup> ed. Edward Elgar Publishing Company, England, Vermont.

### **References**

Banister, D. (2005). *Unsustainable Transport*. Routledge, London.

Hensher, D.A. and Button, K.J. (2003). *Handbook of Transport and the Environment*. Elsevier Group Publishing, Kidlington, Oxford, UK.

Pope, J.P. (2005). *Transport Economics*. Vineyard Publishing, Australia.

Transport Department (1999), *Third Comprehensive Transport Study*

Planning Department (2002), *Study on Planning for Pedestrians, Stage 1 Public Consultation, Hong Kong*: HKSAR Government.

Transport Department, *Hong Kong Moving Ahead: A transport strategy for the future*

<https://www.smartcity.gov.hk/vision-and-mission.html>

## **Advanced Level**

### **Transport Management Stream**

#### **AL 4: Transport Policy and Planning**

##### ***Synopsis***

This subject covers the key aspects of transport policy and planning. It focuses on the role of the government in shaping transport in a society. The government organisation and **other related organisation** in relation to transport strategies and policy formulation and implementation are first covered. Then, the transport planning process and the four-stage transport planning model are introduced. Lastly, the role of transport in influencing development patterns and the interrelationships between transport infrastructure, land-use and travel behaviour are analysed. Local applications would be examined whenever possible.

##### ***Outline Subject Content***

- A. Government and Politics in Relation to Transport
- B. Transport Strategy and Policy Formation and Implementation
- C. Transport Planning
- D. Transport and Development Patterns
- E. Transport, Land-Use and Travel Behaviour

##### ***Standards of Knowledge and Competence***

###### **A. Government and Politics in Relation to Transport**

###### **The Candidate has to demonstrate the knowledge of:**

- The **government** organisation and **other related organisations** in relation to transport
- The influence of politics on transport
- The importance of transport in public budgetary expenditure
- Alternative ways of funding transport
- Regulation on public transport

###### **The Candidate should be able to:**

- Identify the transport-related government bodies and **organisations**
- Distinguish between central and local authorities
- Distinguish between statutory and non-statutory bodies
- Describe the importance of politics, consultation and public participation
- Highlight the significance of transport in public budgetary expenditure
- Know the different funding methods for developing and supporting transport
- Evaluate the regulatory impacts on various public transport such as fare determination, quality and environmental impacts

**B. Transport Strategy and Policy Formation and Implementation**

**The Candidate has to demonstrate the knowledge of:**

- The top-down and bottom-up approaches
- Concepts of public governance
- Common transport problems in urban, regional and **cross-boundary** contexts
- Common measures used to tackle transport problems
- Objectives of transport policy

**The Candidate should be able to:**

- Describe the policy formation process for transport
- Identify the key issues and constraints
- Outline the common transport problems
- Describe the different measures and approaches in alleviating transport problems
- Describe and understand the major transport policy objectives

**C. Transport Planning**

**The Candidate has to demonstrate the knowledge of:**

- Rationales for transport planning
- Transport planning process
- Conventional four-stage transport planning model
- Key advantages and limitations of the four-stage transport planning model

**The Candidate should be able to:**

- Explain the reasons for transport planning
- Identify the key steps in the transport planning process
- Describe the traditional four-stage transport planning model
- Outline the major data requirements for the traditional four-stage transport planning model
- Outline the major methods used in the traditional four-stage transport planning model
- Give a critical appraisal of the traditional four-stage transport planning model
- Describe the latest developments in improving and supplementing the traditional four-stage transport planning model

**D. Transport and Development Patterns**

**The Candidate has to demonstrate the knowledge of:**

- The nature of transport infrastructure as a form of social overhead capital
- Different impacts of transport on the economy
- Different impacts of transport on the spatial structure of a society
- Roles can transport policy play as a tool of development
- Considerations of road freight transport planning and movements of goods

**The Candidate should be able to:**

- Describe the nature of social overhead capital
- Understand the reasons for classifying transport as a type of social overhead capital
- Distinguish the generative, permissive and negative roles of transport
- Distinguish the spread, redistributive and backwash roles of transport



- Conduct a critical analysis of assigning transport a positive and active role in development policies
- Conduct a critical analysis of assigning transport a negative and passive role in development policies
- Analyse freight transport planning and its impacts on regional development

## **E. Transport, Land-use and Travel Behaviour**

**The Candidate has to demonstrate the knowledge of:**

- Relationship between transport and land-use
- Concepts on accessibility and **smart** mobility
- Travel behaviour and trip planning
- Land-use patterns affecting people's travel behaviour
- Major trends and challenges associated with the changing land-use patterns in many developed cities
- Infrastructure planning and market intelligence

**The Candidate should be able to:**

- Describe the interrelationships between transport and land-use
- **Understand the smart mobility such as underground parking**
- **Understand the concept and importance of accessibility for people such as barrier-free facilities (lifts, escalator link, covered walkway, etc.)**
- Understand the needs for integrated transport and land use planning
- Identify the factors affecting journey planning such as distance, destination, travel time, waiting time
- Analyse the implications of different land uses on people's travel behaviour, including trip generation/distribution, modal choice, route choice, departure and arrival time, etc., and their activity patterns
- Analyse the implications of changing land-use patterns, for example, suburbanisation or spatial sprawl, on people's travel behaviour
- Conduct a critical review of the major transport trends and challenges associated with the above changing land-use patterns
- Examine the factors affecting infrastructure planning and evaluate transport infrastructure projects in various aspects

## **Key Knowledge Areas**

### **A. Government and Politics in Relation to Transport**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
<b>Government organisation and other related organisations</b>	<ul style="list-style-type: none"> <li>• Relevant Bureaus</li> <li>• Relevant Departments</li> <li>• Central and local authorities</li> <li>• Statutory and non-statutory bodies</li> </ul>
Politics	<ul style="list-style-type: none"> <li>• Political process</li> <li>• Public participation</li> <li>• Non-governmental organisation</li> <li>• Consultation/<b>engagement</b> and partnership</li> </ul>
Public expenditure	<ul style="list-style-type: none"> <li>• Government budgetary consideration</li> <li>• Funding methods</li> </ul>

	<ul style="list-style-type: none"> <li>• Economic returns vs. financial returns</li> <li>• Private and public partnership</li> </ul>
Regulating public transport	<ul style="list-style-type: none"> <li>• Reasons for regulating public transport</li> <li>• Policy and implementation framework</li> <li>• Fare determination on public transport</li> <li>• Political aspects</li> <li>• Acceptability and affordability</li> <li>• Degree of de-regulation</li> </ul>

## **B. Transport Strategy and Policy Formation and Implementation**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Policy formulation process	<ul style="list-style-type: none"> <li>• Parties involved in the process</li> <li>• Bottom-up and top-down approaches</li> <li>• Consultation process</li> <li>• Public governance</li> </ul>
Common transport problems	<ul style="list-style-type: none"> <li>• Under-capacity, associated with traffic congestion, etc.</li> <li>• Over-capacity, associated with opportunity costs and waste of resources</li> <li>• Public transport problems, associated with subsidies, competition, needs of the transport disadvantaged, etc.</li> <li>• Private transport problems, associated with pollution, traffic congestion, different forms of pricing, parking problems, etc.</li> <li>• Transport safety</li> </ul>
Common transport measures	<ul style="list-style-type: none"> <li>• Infrastructure planning <b>and implementation</b></li> <li>• Government regulations</li> <li>• Traffic management <b>measures</b></li> <li>• Demand restraint</li> </ul>
Objectives of transport policy	<ul style="list-style-type: none"> <li>• Recent transport policy objectives</li> <li>• Relationship with the general government policy objectives</li> <li>• Interconnectivity with other policy objectives such as land use development, environmental protection, social welfare and tourism etc.</li> </ul>

## **C. Transport Planning**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Need for transport planning	<ul style="list-style-type: none"> <li>• Reasons for transport planning</li> <li>• Aims and objectives of transport planning</li> </ul>
The transport planning process	<ul style="list-style-type: none"> <li>• Planning standards and guidelines</li> <li>• Public inquiry and consultation/<b>engagement</b></li> <li>• Traffic demand forecasts</li> <li>• Project based planning</li> <li>• Monitoring</li> <li>• Various types of evaluation</li> </ul>
The traditional four-stage transport planning model	<ul style="list-style-type: none"> <li>• Major data requirements</li> <li>• Major ways of data acquisition</li> </ul>

	<ul style="list-style-type: none"> <li>• Major assumptions</li> <li>• Four-stage model <ul style="list-style-type: none"> <li>○ Trip generation</li> <li>○ Trip distribution</li> <li>○ Trip modal split</li> <li>○ Trip assignment</li> </ul> </li> <li>• Typical methodologies used at each stage</li> <li>• Some commonly-used software</li> </ul>
Critical appraisal of the traditional four-stage transport planning model	<ul style="list-style-type: none"> <li>• Key advantages</li> <li>• Major limitations</li> <li>• Latest developments, for example, the use of stated preference data</li> </ul>

#### **D. Transport and Development Patterns**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Nature of transport infrastructure	<ul style="list-style-type: none"> <li>• Definition of social overhead capital</li> <li>• Characteristics of transport infrastructure (public vs. private, productive vs. consumptive, economic vs. non-economic, fixed vs. footloose)</li> <li>• Social investment</li> <li>• Highways, rails, airports, ports, terminals, logistics parks, pipelines</li> </ul>
Impacts of transport on the economy	<ul style="list-style-type: none"> <li>• Generative role, with transport playing a catalytic role in development</li> <li>• Permissive role, with transport as a necessary but not sufficient condition for development</li> <li>• Negative role, with resources spent on transport seen as not yielding the best economic returns</li> </ul>
Impacts of transport on the spatial structure of a society	<ul style="list-style-type: none"> <li>• Spread effect, with transport opening up new and wider areas for development</li> <li>• Redistributive effect, with transport only changing the comparative advantages of different areas</li> <li>• Backwash effect, with transport leading to the polarisation of development in the most developed areas only</li> </ul>
Transport policy prescriptions	<ul style="list-style-type: none"> <li>• Positive and active roles, with new transport infrastructural development taking a leading role in creating and opening up development opportunities, <b>and enhancing connectivity between development areas</b></li> <li>• Negative and passive roles, with new transport infrastructural development seen as causing further congestion problems and should only follow development</li> <li>• Factors affecting freight transport</li> </ul>

#### **E. Transport, Land-Use and Travel Behaviour**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Transport and land use interactions	<ul style="list-style-type: none"> <li>• Interactive process between land use and transport</li> <li>• Accessibility and mobility</li> </ul>

	<ul style="list-style-type: none"> <li>• Various scales of land use and transport interaction</li> </ul>
Trip planning	<ul style="list-style-type: none"> <li>• Factors affecting trip planning and use of modes</li> <li>• Distance of travel, waiting time, in-vehicle time, destination, trip purposes etc.</li> <li>• Revealed preference and utility maximisation</li> </ul>
Infrastructure planning and evaluation	<ul style="list-style-type: none"> <li>• Infrastructure and economic development</li> <li>• Aspects of evaluation – financial, economical, technical, environmental, political and social</li> <li>• Market intelligence and infrastructure planning</li> </ul>
Land use and travel behaviour	<ul style="list-style-type: none"> <li>• Types of land use and associated activities</li> <li>• Trip characteristics, including generation/distribution, time, duration, mode and route, associated with different activities</li> <li>• Major changes in land use in developed cities, including suburbanisation and spatial sprawl</li> <li>• The associated major trends and challenges, including more and longer trips</li> <li>• Travel and journey planning</li> <li>• Accessibility and travel behaviour</li> </ul>

### **Core Reading**

Button, K.J. and Hensher, D.A. (eds.) (2005). *Handbook of Transport Strategy, Policy and Institutions*. Emerald Group Publishing, Amsterdam.

Dimitriou, H.T. and Gakenheimer, R. (2012). *Urban Transport in the Developing World: A Handbook of Policy and Practices*. Edward Elgar Publishing, UK.

*Hong Kong Moving Ahead: A transport strategy for the future, HKSAR*

*The Third Comprehensive Transport Study: Final Report, HKSAR*

*Public Transport Strategy Study June 2017, HKSAR*

### **References**

Banister, D. (2002). *Transport Planning*, 2<sup>nd</sup> ed. Routledge, London.

Nakagawa, D. and Matsunaka, R. (2006). *Transport Policy and Funding*. Emerald Group Publishing Limited, UK.

*Traffic and Transport Consultancy Study on Cycling Networks and Parking Facilities in Existing New Towns in Hong Kong - Executive Summary, HKSAR*

*Toll Rationalisation Study of Three Road Harbour Crossings and Three Land Tunnels between Kowloon and Sha Tin - Feasibility Study : Final Report, HKSAR*

*The Second Parking Demand Study Final Report, HKSAR*

*Hong Kong Planning Standards and Guidelines, PlanD, HKSAR*

## **Advanced Level**

### **Logistics Management Stream**

#### **AL 5: Global Supply Chain Management**

##### ***Synopsis***

The subject covers the study of Supply Chain Management (SCM), an end-to-end process of freight movements. It encompasses the full scope of supply chain management with special focus on the global perspective, as per the title.

Candidates attempting this subject should have a fair knowledge of trade terms, international and domestic rules and regulations governing different transport modes, and the characteristics of transport systems. Candidates are expected to appreciate and understand the evolution of international trade, globalisation of the economy and trade flows, division of labour, inventory control, production and distribution centres, and the consumer markets. It is also expected that candidates have up-to-date knowledge about the industry; to adopt KPI measurement to check efficiency; and to apply modern technologies such as **material/cargo handling automation** information systems, bar codes, RFID and GPS from procurement process of raw materials and spare parts up to distribution of finished products to the markets and consumers.

##### ***Outline Subject Content***

- A. Transport and Supply Chain Management
- B. Business Environment and Management of Global Supply Chain
- C. Procurement, Warehousing, Inventory and Operations Management
- D. Containerisation, Unit Loads and Intermodal Transport.
- E. Globalisation of World Economy and Supply Chain Strategy
- F. Alliance, Synergy and Integration of Global Supply Chain Operations
- G. Technological Development in Supply Chain Management
- H. Future Challenges and Issues

##### ***Standard of Knowledge and Competence***

###### **A. Transport and Supply Chain Management**

**The Candidate has to demonstrate the knowledge of:**

- Definitions of supply chain and supply chain management
- Different flows in the supply chain
- The function of different transport modes related to freight transport
- Decision models for transport services and networks
- Lean and agile supply chains

**The Candidate should be able to:**

- Understand the concepts of the supply chain, supply chain management and the flows inside the supply chain
- Identify key elements for designing networks for the physical flow of goods
- Decide on the locations of transport hubs-and-spokes, warehouses and distribution centres, and service networks
- Discuss the concepts of lean and agile supply chains in response to customer needs

**B. Business Environment and Management of Global Supply Chain**

**The Candidate has to demonstrate the knowledge of the:**

- Organisation and behaviour of individuals and groups within an organisation; leadership, entrepreneurship and followers
- Interpretation of financial statements, budgeting, and investment project appraisal
- Trends in marketing channels, customer services, and transport and logistics development
- Trade terms and legal aspects related to the conduct of business and transport
- Aspects and recent developments in the international business environment
- Various external and internal impacts on the global logistics sector
- Various types of risk in supply chain operations
- Various related international organisations and conventions

**The Candidate should be able to:**

- Plan and manage an effective organisation
- Prepare a budget and use a financial statement as a tool to evaluate the financial performance of an investment
- Understand legal liability in relation to contract and transport
- Set strategies to meet sales/marketing needs and design campaigns to satisfy customers' requirements
- Examine the impacts of the changing business environment **and propose recommendation to the Management**
- Identify external and internal impacts on global logistics services providers
- Evaluate various types of risks on supply chain operations (customs regulations for example)
- State the sources of legislation and main legal requirements for operations
- Illustrate the role of various international organisation and conventions

**C. Procurement, Warehousing, Inventory and Operations Management**

**The Candidate has to demonstrate the knowledge of:**

- Sourcing models, best choice evaluation, and E-business in procurement
- Location of facilities, material flow processes and analyses, and material handling systems
- Principles of managing the production of goods and services
- Benchmarking performance: setting Key Performance Index (KPI)

**The Candidate should be able to:**

- Choose the sourcing channel: ownership and outsourcing to 3PL providers
- Examine the requirements of warehouse layout design and planning
- Apply principles and tools in managing both services and manufacturing

- Apply KPI to measure the customer satisfaction level and operation efficiency

**D. Containerisation, Unit loads, and Intermodal Transport**

**The Candidate has to demonstrate the knowledge of:**

- Intermodal transport systems: containerisation and unit loads
- Land-based support systems to backup containerisation
- Intermodality of containers and extension of cargo hinterland

**The Candidate should be able to:**

- Apply containerisation as a homogeneous unit of carriage and its intermodal characteristics to expand the cargo catchment area, i.e. the market
- Design a hub-and spoke plan to meet the sales and business strategy

**E. Globalisation of World Economy and Supply Chain Strategy**

**The Candidate has to demonstrate the knowledge of:**

- An understanding of the macro-economics – labour, output, money and foreign exchange market that are influenced by the major economies and markets
- Division of labour, world production centres and consumers' markets
- Specialisation in commercial activities.
- Emerging of Supply Chain Management (SCM), Third Party Logistics (3PL) providers and multi-national corporations

**The Candidate should be able to:**

- Decide the best combined modes and systems to suit the company's logistics requirements
- Discuss elements in designing global supply chain strategies
- Recognise the opportunities and challenges of the supply chain industry

**F. Alliance, Synergy and Integration in Global Supply Chain Operations**

**The Candidate has to demonstrate knowledge of the:**

- Emergence of shipping consortia and airlines alliances: the rationale of code-sharing and risk-sharing, and expanding market coverage
- Technology innovations in carriers (container liner shipping and also airlines): increase in both size and capacity, and also speed and efficiency, which require partnership
- Planning of carriers' hub and feeder ports (also airports and other modes), and 3PL's load centres and distribution centres

**The Candidate should be able to:**

- Plan logistics services based on available **multi-modal** services in the market
- Select load centres and distribution centres to best suit the market requirements

**G. Technological Development in Supply Chain Management**

**The Candidate has to demonstrate the knowledge of:**

- Availability of new technologies and automation systems in the logistics sector



- Automation – a trade-off with manual work. Efficiency vs. Cost. Adopting automation in conducting business and production.
- An understanding of new information technologies for building e-business models to achieve competitive advantage and creating an innovative supply chain.

**The Candidate should be able to:**

- Apply new technologies in daily business to best suit the requirements
- Observe technology innovations and to make changes
- Apply new technologies in e-business to achieve competitive advantage
- Discuss issues in e-commerce, m-commerce and business/artificial intelligence

**H. Future Challenges and Issues**

**The Candidate has to demonstrate the knowledge of:**

- The continuous changes of the world economy; mergers and acquisitions; and new technology developments

**The Candidate should be able to:**

- Examine the trend of development in Supply Chain Management
- Make adjustments or corrections to accommodate the changes in business
- Discuss the issues on Supply Chain Management in Mainland China, and other emerging economics

***Key Knowledge Areas***

**A. Transport and Supply Chain Management**

Key Knowledge Areas	Coverage
Supply Chain and supply chain management	<ul style="list-style-type: none"> <li>• Concepts of the supply chain</li> <li>• Supply Chain Management</li> <li>• Flows in supply chains                             <ul style="list-style-type: none"> <li>○ Physical goods flow</li> <li>○ Information flow</li> <li>○ Financial flow</li> </ul> </li> <li>• Collaboration, competition and conflicts among firms</li> </ul>
Lean and agile supply chain	<ul style="list-style-type: none"> <li>• Lean and agile manufacturing</li> <li>• Responses to special requirements</li> <li>• Flexibility and adaptability</li> </ul>
Multi-channel supply chain	<ul style="list-style-type: none"> <li>• Functions and types of distribution channels</li> <li>• Characteristics of various types of distribution channels</li> <li>• Vertical and horizontal channels</li> <li>• Relationship among firms in a supply chain</li> </ul>
Location and Network decisions	<ul style="list-style-type: none"> <li>• Direct shipment</li> <li>• Milk runs</li> <li>• Distribution centres</li> <li>• Cross-docking</li> <li>• Centralised vs. decentralised facilities</li> <li>• Inventory aggregation</li> </ul>



	<ul style="list-style-type: none"> <li>• Temporal aggregation</li> </ul>
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## **B. Business Environment and Management of Global Supply Chain**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
International business environment: the concepts and organisation of international trade	<ul style="list-style-type: none"> <li>• The concept and organisation of international trade <ul style="list-style-type: none"> <li>○ Strategic trade theory, international trade policies</li> <li>○ Market access</li> <li>○ Multinational corporation: role and influence</li> </ul> </li> <li>• External impacts <ul style="list-style-type: none"> <li>○ International business strategies</li> <li>○ Environment appraisal</li> <li>○ Government and inter-government organisations</li> </ul> </li> <li>• Internal impacts <ul style="list-style-type: none"> <li>○ International business performance</li> <li>○ Supply chain strategies</li> <li>○ Factors: strategic, managerial, organisational and marketing</li> </ul> </li> </ul>
Management of organisations	<ul style="list-style-type: none"> <li>• Organisation development</li> <li>• Functional aggregation</li> <li>• Collaborative relationships management</li> <li>• Developing trust</li> <li>• Finance and accounting</li> <li>• Strategic management – collaboration and integration</li> </ul>
Potential risk inherent in the international supply chain	<ul style="list-style-type: none"> <li>• Risks: operational, financial, political, economic, commercial</li> <li>• Risk management and reduction</li> </ul>
National and international legislation	<ul style="list-style-type: none"> <li>• Conventions related to international transport, Hague Rules, COGSA, and the Warsaw Convention etc.</li> <li>• Legal implications and liability as per Air Waybills and Bills of Lading</li> <li>• Insurance for transit goods and international transport</li> </ul>
International organisations and business organisations	<ul style="list-style-type: none"> <li>• Roles and functions of IMO, IATA, ICAO and other relevant organisations</li> <li>• Provisions of ATP, ADR and other relevant conventions</li> <li>• Structure and organisations of freight industries <ul style="list-style-type: none"> <li>○ Characteristics of the international freight industry</li> <li>○ Organisations of transport operations for hire and reward and own account</li> <li>○ Access to market</li> </ul> </li> <li>• Freight agents and subcontractors</li> <li>• Role of third party contractors in freight forwarding and groupage operations</li> </ul>

Improving supply chain network design and management	<ul style="list-style-type: none"> <li>• Reasons for improving supply chain networks</li> <li>• Process of re-evaluation</li> <li>• Network analysis</li> <li>• Internal audit</li> <li>• External factors and internal factors</li> </ul>
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### C. Procurement, Warehousing, Inventory and Operations Management

Key Knowledge Areas	Coverage
Procurement process and planning Just-in-time, VMI and CMI	<ul style="list-style-type: none"> <li>• Procurement perspectives</li> <li>• Procurement strategies</li> <li>• E-commerce</li> <li>• Just-in-Time</li> <li>• VMI, CMI and others</li> </ul>
Warehouse management and planning	<ul style="list-style-type: none"> <li>• Cargo and material handling and storage</li> <li>• Warehouse planning</li> <li>• Warehouse strategies and functionality</li> <li>• Warehouse operations</li> </ul>
Operations management	<ul style="list-style-type: none"> <li>• Inventory management</li> <li>• Transport management and scheduling</li> <li>• Packaging</li> <li>• Materials handling</li> </ul>
Key performance indicators	<ul style="list-style-type: none"> <li>• Measurement system objectives</li> <li>• Financial assessment</li> <li>• Measuring customer satisfaction rate</li> <li>• Benchmarking</li> </ul>

### D. Containerisation, Unit Loads and Intermodal Transport

Key Knowledge Areas	Coverage
Emergence of unit loads, containers and intermodal transport systems	<ul style="list-style-type: none"> <li>• Palletisation, lift vans and unit loads</li> <li>• Cargo security and protection</li> </ul>
Implication and issues related to intermodal transport systems	<ul style="list-style-type: none"> <li>• Efficiency and re-handling reduction</li> <li>• System approach in conducting business</li> <li>• Cost and investment: systems vs. manual work</li> </ul>
Planning of intermodal transport	<ul style="list-style-type: none"> <li>• Interoperability on unit of carriage, facilities and equipment</li> <li>• Land-bridges and canals</li> <li>• New navigation and rail routes</li> <li>• Sea-air connection, <b>and other transport modes</b></li> </ul>

### E. Globalisation of World Economy and Supply Chain Strategy

Key Knowledge Areas	Coverage
Globalisation and division of labour	<ul style="list-style-type: none"> <li>• Global <b>and Regional</b> production centres and consumers' markets</li> <li>• Trade flow: raw materials and finished products</li> <li>• Shrinking world with technology innovations</li> </ul>
Multi-national corporations and business strategy	<ul style="list-style-type: none"> <li>• Cost awareness, emergence of new production centres</li> <li>• Outsourcing of procurement, shipping and</li> </ul>

	distribution activities
Supply Chain Management (SCM) and Third Party Logistics providers	<ul style="list-style-type: none"> <li>• Specialisation in logistics functions: emergence of SCM and 3PLs</li> <li>• Logistics function: a tool for sales and marketing</li> <li>• Global networks</li> <li>• Designing supply chain operations</li> <li>• Opportunities and challenges</li> </ul>

#### **F. Alliances, Synergy and Integration in Global Supply Chain Operations**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Shipping consortia and airlines code-sharing	<ul style="list-style-type: none"> <li>• Service frequency and networks, market coverage, and risk-sharing</li> </ul>
Hub ports and feeder ports	<ul style="list-style-type: none"> <li>• Increasing size in containerships and aircraft</li> <li>• Limitation of direct calls at transport hubs</li> <li>• Ports as transport hubs in supply chains</li> <li>• Extensive market coverage by feeder services, i.e. feeder vessels and land systems</li> </ul>
Global supply chain management	<ul style="list-style-type: none"> <li>• Distribution and consolidation centres</li> <li>• Changes in market trends: reduction of intermediate nodes; direct delivery to retail stalls and markets</li> </ul>

#### **G. Technological Development in Supply Chain Management**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Information Networks	<ul style="list-style-type: none"> <li>• Information system functionality</li> <li>• Enterprise Resources Planning (ERP)</li> <li>• Paperless work environment</li> </ul>
Execution Systems	<ul style="list-style-type: none"> <li>• Customer Relationship Management</li> <li>• Transport Management System</li> <li>• Warehouse Management System</li> <li>• <b>Challenges in execution systems</b></li> </ul>
Web-based technology	<ul style="list-style-type: none"> <li>• Strategic collaboration</li> <li>• Round-the-clock operation</li> <li>• Market integration</li> <li>• Web-based EDI and the use of XML</li> <li>• Web-based service providers</li> </ul>
Technology as a basic requirement for collaboration	<ul style="list-style-type: none"> <li>• Trends of automatic ID for goods</li> <li>• Technology as a basic alliance requirement</li> <li>• Compatibility of technologies</li> <li>• Cases of <ul style="list-style-type: none"> <li>○ RFID</li> <li>○ GPS</li> </ul> </li> <li>• Competitive edge of various technologies</li> <li>• Inertia of traditional technology</li> </ul>
<b>E-business models</b>	<ul style="list-style-type: none"> <li>• <b>Business features</b></li> <li>• <b>System functionality and performance</b></li> <li>• <b>Collaboration</b></li> <li>• <b>Business role</b></li> <li>• <b>Competing on global scale, design and quality,</b></li> </ul>

	<b>and business process management</b>
<b>E-commerce</b>	<ul style="list-style-type: none"> <li>• Digital markets and digital goods</li> <li>• Commerce operating model</li> <li>• Marketing transformation</li> <li>• Business to business</li> <li>• M-commerce</li> <li>• Issues in e-commerce</li> </ul>
<b>Business/Artificial intelligence</b>	<ul style="list-style-type: none"> <li>• Business intelligence</li> <li>• Artificial intelligence</li> <li>• Artificial intelligence techniques</li> </ul>

## **H. Future challenges and issues**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Future challenges	<ul style="list-style-type: none"> <li>• Green distribution and environmental management system</li> <li>• Globalisation and world trade patterns</li> <li>• Technological advancement</li> </ul>
Regional economic development	<ul style="list-style-type: none"> <li>• Regional logistics hubs</li> <li>• Hub-and-spoke and supply chain strategies</li> </ul>
Merger and acquisition in the transport and logistics industry	<ul style="list-style-type: none"> <li>• Optimal scale and diseconomies of scale</li> <li>• Application of Game theory</li> <li>• Interdependence behaviour</li> </ul>
Developments in China Mainland, and other emerging economies	<ul style="list-style-type: none"> <li>• Time-definite vs. time critical logistics</li> <li>• Opportunities for cooperation and coordination between Mainland China and Hong Kong</li> <li>• Transport infrastructure, institutional arrangement and other considerations</li> </ul>

## **Core Reading**

Chopra, S. and Meindl, P. (2015). *Supply Chain Management: Strategy, Planning and Operation*, 6<sup>th</sup> ed. Prentice-Hall, New Jersey.

Christopher, M. (2011). *Logistics and Supply Chain Management*, 4<sup>th</sup> ed. Financial Times Press, US.

## **References**

Benton, W.C. (2013). *Purchasing and Supply Chain Management*, 3<sup>rd</sup> ed. McGraw Hill, US.

Laudon, K.C. and Laudon, J.P. (2014). *Essentials of Managing Information Systems*, 11<sup>th</sup> ed. Prentice Hall, US.

Myerson, P. (2012). *Lean Supply Chain and Logistics Management*. McGraw Hill Professional, US.

Simchi-Levi, D., Simchi-Levi, E. and Kaminsky, P. (2007). *Designing and Managing the Supply Chain: Concepts, Strategies and Case Studies*, 3<sup>rd</sup> ed. McGraw-Hill, Boston.

## **Advanced Level**

### **Logistics Management Stream**

#### **AL 6: Logistics Management**

##### ***Synopsis***

Firms running businesses in the new millennium face a number of harsh competitive realities. Firstly, manufacturing a quality product is no longer sufficient by itself to engender customer loyalty. Companies have to consistently deliver a product when and where their customers demand it, at a reasonable price. Secondly, the distinction between a domestic and international market is fading. Western and Eastern countries or even China and India themselves are so vast and their citizens are so culturally different that a firm's domestic logistics issues in these countries may be virtually identical to those encountered when they sell internationally. Indeed, one could argue that all business is potentially operating in the global environment. Finally, logistics is becoming more important to companies as they strive to serve and satisfy customers in increasingly diverse markets, wherever they may be.

The aim of this subject is intended to accomplish three objectives:

1. To deliver conceptual understanding on the nature of logistics activities in general and how these tasks function in a global setting;
2. To show how these activities can be grouped together to form an integrated logistics system;
3. To acquire the knowledge and skills to turn their corporate logistics activities into sources of sustainable competitive advantage in the global business arena.

##### ***Outline Subject Content***

- A. Introduction to Logistics
- B. Global Trade Logistics
- C. Movement of Goods
- D. Managing the Inbound Logistics and Purchasing in the Organisation
- E. Managing the Outbound Logistics
- F. Customer Care and Service Quality
- G. Organising for Logistics Effectiveness

##### ***Standard of Knowledge and Competence***

###### **A. Introduction to Logistics**

**The Candidate has to demonstrate the knowledge of the:**

- Components in a logistics system
- Total cost concept and trade-offs in Logistics Management
- Reasons for the growing concerns in logistics and Supply Chain Management

- **Logistics and information technology**

**The Candidate should be able to:**

- Illustrate and describe the components in a logistics system
- Use the total cost concept to investigate logistics problems
- Identify trade-offs in logistics issues
- Examine the reasons for the growth of the logistics sector
- Portray the growing concern on global logistics issues
- **Recognise the importance of using information technology in logistics**

**B. Elements of International Trade Logistics**

**The Candidate has to demonstrate the knowledge of:**

- Characteristics, advantages and disadvantages of various modes
- Incoterms and contractual obligation
- Legal requirements for packaging, handling and labelling Various rates and charges determination regimes
- General knowledge of freight insurance
- Functions of the main documents used in commerce
- General knowledge on customs processes and documentation
- Transport document: financial documents and trade documents
- New developments in e-freight and electronic documentation
- Customs tariffs, excise and duties, variations in international trade
- Free-trade zone, bonded zone and carnet practices
- Cargo security in international trade

**The Candidate should be able to:**

- Evaluate the suitability of different modes under different circumstances
- Compare the differences among different Incoterms and evaluate the risks to various parties
- Distinguish between various rating and charging methods
- Understand the practices of trade documents, freight insurance and customs processes
- Examine the use of financial documents in financing trade and the implications on logistics practices
- Understand the general customs practices in international trade (**origin-destination**), and the benefits of using free trade zones or bonded logistics systems
- Recognise the importance of information needed in logistics processes
- Understand the importance of cargo security and illustrate the practices for enhancing the security level

**C. Movement of Goods**

**The Candidate has to demonstrate the knowledge of:**

- Various factors that may affect the handling of goods
- Characteristics and nature of goods that may affect the goods movement
- Flow patterns of different types of cargo
- Transport of dangerous goods and hazardous freight
- Fleet management and operations
- Concepts and techniques on routing and scheduling
- Basic components of different modes of transport

- Various logistics activities at modal nodes
- Requirements for efficient movement of goods

**The Candidate should be able to:**

- Identify the different characteristics and nature of goods that may affect the movement of the goods
- Illustrate the major factors that may affect the handling of goods
- Portray the flow patterns of goods in both global and national contexts
- Describe the concepts and techniques in routing and scheduling
- Examine various considerations in fleet management
- Describe the framework governing movement of dangerous goods and the practices for reducing risk of moving dangerous goods
- Explain the major components, functions and activities of different modes of transport
- Examine the requirements for the efficient movement of goods

**D. Managing the Inbound Logistics in the Organisation**

**The Candidate has to demonstrate the knowledge of:**

- The practices and importance of inbound logistics
- Various components and activities in inbound logistics
- Goals and objectives of purchasing activities
- Management techniques for improving materials handling management

**The Candidate should be able to:**

- Illustrate the distinctive features of current inbound logistics practices
- Explain the activities involved in inbound logistics
- Examine the efficiency of the practices in inbound logistics
- Highlight the goals, tasks and objectives of purchasing
- Explain how to improve the procedures and effectiveness of purchasing
- Evaluate which management techniques may help to improve materials management

**E. Managing the Outbound Logistics**

**The Candidate has to demonstrate the knowledge of:**

- The recent developments in the retail market and the requirements for outbound logistics
- Different supply chain strategies to enhance the efficiency of the retail market
- Factors to be considered in restructuring retail logistics systems
- Concepts, processes and elements in reverse logistics
- Logistics strategies on distribution channels and networks
- Roles, services and practices of third party logistics providers

**The Candidate should be able to:**

- Examine recent developments in retail market distribution and outbound logistics
- Identify the main contributions and elements in various logistics strategies
- Describe the concepts and explain the needs for reverse logistics processes
- Illustrate the process of formulating logistics strategies for outbound distribution networks
- Identify and examine the needs for integrating logistics channels
- Discuss the roles of third party logistics providers

- Evaluate the needs for third party logistics services in different circumstances

## **F. Customer Care and Service Quality**

### **The Candidate has to demonstrate the knowledge of the:**

- Concepts and elements in customer services in the logistics sector
- Features and characteristics of service provided in the logistics sector
- Requirements for developing and maintaining service quality
- Procedures and requirements for setting quality standards
- Concept and practices of total quality management
- Factors to be considered in quality control and assurance
- Information required and information systems on quality management
- Concepts, benefits and processes of benchmarking in logistics services
- Administrative, legal and financial considerations on quality management

### **The Candidate should be able to:**

- Illustrate the distinctive features and the importance of customer care in the logistics sector
- Highlight the importance of service quality in the logistics sector
- Design and explain the setting of various quality standards and performance indicators in logistics practice
- Examine the effectiveness of quality control and assurance systems
- Identify the use of information systems in quality management and illustrate its importance
- Consider other factors and criteria for good quality management

## **G. Organising for Logistics Effectiveness**

### **The Candidate has to demonstrate the knowledge of:**

- Concepts, components and development of an optimal logistics organisation
- Strategic consideration for logistics organisational effectiveness
- Methods and techniques on measuring the effectiveness of logistics organisations
- Elements and considerations of the “best” organisation

### **The Candidate should be able to:**

- Illustrate and explain various components of an optimal logistics organisation
- Discuss in different management aspects the effectiveness of logistics organisation
- Evaluate different strategic tools for improving organisational effectiveness
- Illustrate the considerations and factors in developing an effective logistics organisation
- Identify tools to measure effectiveness in a comprehensive way
- Discuss holistically on what is the best organisation structure

## ***Key Knowledge Areas***

### **A. Introduction to Logistics**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Components of a Logistics System	<ul style="list-style-type: none"><li>• Various components: purchasing, information maintenance, product scheduling; material</li></ul>



	<p>handling; inventory, warehousing; order processing, transport, customer services etc.</p> <ul style="list-style-type: none"> <li>• Interrelationship among components</li> <li>• Trade-off among various components</li> </ul>
Factors affecting a company going global	<ul style="list-style-type: none"> <li>• World market potential</li> <li>• Excessive production</li> <li>• Extending the product life cycle by geographical diversification</li> <li>• Logistics as a source of “competitive advantage”</li> </ul>
Growing management interest in logistics	<ul style="list-style-type: none"> <li>• Trends in global trade (e.g. NAFTA)</li> <li>• Mass customisation</li> <li>• Environmental concerns</li> <li>• JIT concept</li> <li>• Information technology advancement</li> <li>• Electronic commerce</li> <li>• Information management systems</li> <li>• Cloud computing</li> <li>• E-procurement</li> <li>• Internet of things (IoTs)</li> </ul>

## B. Global Trade Logistics

Key Knowledge Areas	Coverage
Parties involved in global trade logistics	<ul style="list-style-type: none"> <li>• Role of sellers, buyers, shippers, carriers, agent, customs, surveyor, financial institutions, insurance company etc.</li> <li>• Import, export, re-export processes</li> </ul>
Modal choices relating to types of demand and goods	<ul style="list-style-type: none"> <li>• Modal characteristics</li> <li>• Modal advantages and disadvantages for different journeys and cargo</li> <li>• Multi-modalism, modal integration and interoperability</li> </ul>
Packaging, handling and labelling requirements	<ul style="list-style-type: none"> <li>• Internal and external packaging</li> <li>• Importance of labelling and packaging</li> <li>• legal requirements for safety of people, goods and the environment</li> </ul>
Incoterms	<ul style="list-style-type: none"> <li>• Use of Incoterms</li> <li>• Different Incoterms</li> <li>• Obligations and risks of buyers and sellers</li> <li>• Contractual obligation and transfer of risks</li> </ul>
Rates, charges, tariffs and duties	<ul style="list-style-type: none"> <li>• Costing systems and various types of costs</li> <li>• Cost-allocation and recovery</li> <li>• Rate quotation schedule</li> <li>• Time and distance-based charges</li> <li>• Structure and aspects of setting rates and charges such as trade unions, shippers’ councils, government interventions etc.</li> <li>• Tariffs setting and authorities, and awareness of anti-trust laws</li> <li>• Taxes and duties as a source pf government</li> </ul>

	income or an economic tool
Documentation	<ul style="list-style-type: none"> <li>• Function of main documents used in national and international commerce</li> <li>• Transport documents, financial document, insurance documents and official documents such as Certificate of Origin</li> <li>• Importance of various transport documents and the implications on the risk and obligation of various parties</li> <li>• The use of financial documents such as Letter of Credit, Collection Instruction, Bill of Exchange etc.</li> <li>• Documents used in insurance claims</li> <li>• Roles of various government departments and the use of official documents</li> </ul>
Freight insurance	<ul style="list-style-type: none"> <li>• Goods-in-transit (GIT) insurance requirements</li> <li>• Convention on Contract for the International Carriage of Goods by Road</li> <li>• Incoterms and insurance arrangement</li> </ul>
Customs processes	<ul style="list-style-type: none"> <li>• Requirements for customs control, simplified procedures, pre-entry, and non-statutory procedure</li> <li>• Use and types of permits and carnets</li> <li>• Licensing and quotas</li> <li>• Bonded warehouse, open and closed bonded systems, free trade zones</li> <li>• Customs tariff, duties and taxes</li> <li>• Authorised Economic Operators</li> </ul>
International journey planning	<ul style="list-style-type: none"> <li>• Intermodal transport operations</li> <li>• Containerised cargo</li> <li>• Accompanied and unaccompanied movements</li> </ul>
Information needs	<ul style="list-style-type: none"> <li>• Role of information</li> <li>• Types of information relating to drivers, vehicles, loads, transport modes and customers</li> </ul>
Cargo Security	<ul style="list-style-type: none"> <li>• Trends of managing cargo security</li> <li>• International, national and business levels</li> <li>• Measures to enhance cargo security</li> <li>• Cargo security schemes and programmes</li> <li>• UN regulations and requirements</li> </ul>

### **C. Movement of Goods**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Goods to be moved	<ul style="list-style-type: none"> <li>• How characteristics of goods impact their handling <ul style="list-style-type: none"> <li>○ Types of goods</li> <li>○ Weight and Dimensions</li> <li>○ Transit regulations</li> <li>○ Legislative controls</li> <li>○ Handling methods</li> </ul> </li> <li>• Safety and security needs</li> </ul>

Origins, destination and routes	<ul style="list-style-type: none"> <li>• Sources and destination <ul style="list-style-type: none"> <li>○ World trade flow patterns</li> <li>○ Movement for retailing</li> </ul> </li> <li>• Collection and delivery</li> <li>• Route planning and scheduling <ul style="list-style-type: none"> <li>○ Basic concepts and techniques</li> <li>○ IT-based solutions</li> <li>○ Online multi-modal routing</li> </ul> </li> </ul>
Modes of Transport	<ul style="list-style-type: none"> <li>• Suitability of modes</li> <li>• Unit of carriage</li> <li>• Modal nodes <ul style="list-style-type: none"> <li>○ Ports / terminals</li> <li>○ Airports</li> <li>○ Road transport hubs</li> </ul> </li> <li>• Transport techniques and practices <ul style="list-style-type: none"> <li>○ Intra-modal</li> <li>○ Intermodal</li> <li>○ Combined transport</li> </ul> </li> </ul>
Goods Movement	<ul style="list-style-type: none"> <li>• Types of goods and facilities required</li> <li>• Capacity <b>constraints</b></li> <li>• Planning of the shipment of goods</li> <li>• Various types of controls</li> <li>• Documentation involved</li> <li>• Processes and constraints</li> <li>• Information flow and exchange</li> <li>• Third parties involved</li> </ul>
Fleet management	<ul style="list-style-type: none"> <li>• Elements of fleet management</li> <li>• Measures on enhancing productivity of fleet management</li> <li>• Green issues on fleet management and freight movements</li> <li>• Measures to reduce carbon footprints</li> </ul>
Shipping dangerous goods (DGs)	<ul style="list-style-type: none"> <li>• Characteristics and classifications of DGs</li> <li>• Packaging, labelling and documentation</li> <li>• Segregation and handling of DGs</li> <li>• Legal framework and requirements</li> <li>• IATA, IMDG and legal requirements</li> <li>• Considerations on handling hazardous materials and DGs</li> <li>• Awareness of potential DGs</li> </ul>

#### **D. Managing the Inbound Logistics and Purchasing in the Organisation**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Growing importance of inbound logistics	<ul style="list-style-type: none"> <li>• Globalisation</li> <li>• Demographic forces</li> <li>• Information and communications</li> <li>• Cost saving (excess production)</li> <li>• Risk reduction</li> <li>• Leveraging resources</li> </ul>

Inbound logistics activities	<ul style="list-style-type: none"> <li>• Customer service</li> <li>• Transport</li> <li>• Inventory management</li> <li>• Warehousing and storage</li> <li>• Maintenance</li> <li>• Information management</li> <li>• Salvage and waste disposal</li> <li>• Production</li> </ul>
Purchasing	<ul style="list-style-type: none"> <li>• Goals of purchasing</li> <li>• Purchasing tasks                             <ul style="list-style-type: none"> <li>○ Supplier selection</li> <li>○ Quality management</li> <li>○ Forward buying</li> <li>○ Interaction with other corporate departments</li> </ul> </li> <li>• Improving purchasing productivity</li> </ul>
Management techniques for improving materials management	<ul style="list-style-type: none"> <li>• Top management commitment</li> <li>• ABC analysis</li> <li>• Improved performance of other logistics activities</li> <li>• Improved demand forecasting</li> <li>• Inventory management software</li> </ul>

#### **E. Managing Outbound Logistics**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Retail Market	<ul style="list-style-type: none"> <li>• Control over secondary distribution</li> <li>• Restructuring of retailer's logistics systems</li> <li>• Quick response</li> <li>• Rationalisation of primary distribution</li> <li>• Supply chain management</li> <li>• Efficient consumer response (ECR)</li> <li>• Recycling / reuse of packaging material and handling material</li> </ul>
Distribution Strategy and Network	<ul style="list-style-type: none"> <li>• Formulating logistics strategies</li> <li>• Integrating the logistics channels</li> </ul>
Role of third party logistics providers	<ul style="list-style-type: none"> <li>• Cost reduction through specialisation</li> <li>• Joint synergy</li> <li>• Increased information to support planning</li> <li>• Customer service enhancement</li> <li>• Reduced or shared risks</li> <li>• Shared creativity</li> <li>• Gain competitive advantage</li> <li>• Risk associated with 3PL in partner relationships</li> </ul>

#### **F. Customer Care and Service Quality**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Customer services	<ul style="list-style-type: none"> <li>• Service sector organisation                             <ul style="list-style-type: none"> <li>○ Generic features</li> <li>○ Specific issues related to transport / logistics organisations</li> </ul> </li> <li>• Develop customer focus</li> </ul>

	<ul style="list-style-type: none"> <li>• Develop customer service culture</li> <li>• Internal and external customers</li> </ul>
Service quality	<ul style="list-style-type: none"> <li>• Understanding quality</li> <li>• Developing and maintaining quality</li> <li>• Conformance and performance quality systems</li> <li>• Setting quality standards               <ul style="list-style-type: none"> <li>○ Internal and external approaches</li> <li>○ Balancing organisational and customer requirements</li> <li>○ Competitor analysis</li> <li>○ Developing and using relevant performance indicators</li> </ul> </li> <li>• Total Quality Management</li> <li>• Methods of analysis               <ul style="list-style-type: none"> <li>○ Process-Flow-charts</li> <li>○ Cause and effect analysis</li> <li>○ Failure mode analysis</li> </ul> </li> </ul>
Management Information Systems	<ul style="list-style-type: none"> <li>• Roles and functions</li> <li>• Types of management information</li> <li>• Internal and external sources</li> <li>• Information gathering methods</li> <li>• Use of information technology</li> <li>• Role of communication in customer care</li> </ul>
Benchmarking	<ul style="list-style-type: none"> <li>• Basic definition and types of benchmarking</li> <li>• Aims and benefits</li> <li>• Stages of the process</li> </ul>
Administrative, financial and legal requirements	<ul style="list-style-type: none"> <li>• Importance of records</li> <li>• Costing different elements of quality management</li> <li>• Data protection and regulation concerning the maintenance of security</li> <li>• Client and commercial confidentiality</li> </ul>

### **G. Organising for Logistics Effectiveness**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Components of an optimal logistics organisation	<ul style="list-style-type: none"> <li>• Structure and technology</li> <li>• Organisational characteristics</li> <li>• Environmental characteristics</li> <li>• Employee characteristics</li> <li>• Managerial policies and practices</li> </ul>
Improving logistics organisational effectiveness	<ul style="list-style-type: none"> <li>• Strategic goal settings</li> <li>• Resource acquisition and utilisation</li> <li>• Performance, environment, and communication processes</li> <li>• Leadership and decision making</li> <li>• Organisation, adaptation and innovation</li> </ul>
Developing an optimal logistics organisation	<ul style="list-style-type: none"> <li>• Corporate strategy and objectives</li> <li>• Compatible with corporate structure</li> <li>• Accountability of logistics executive</li> <li>• Management styles</li> </ul>

	<ul style="list-style-type: none"> <li>• Availability of support systems</li> <li>• Plan for human resources allocation</li> </ul>
Measuring the effectiveness of a logistics organisation	<ul style="list-style-type: none"> <li>• Cost-to-sales ratios</li> <li>• Predetermined standards</li> <li>• Logistics management personnel <ul style="list-style-type: none"> <li>○ Line management ability</li> <li>○ Problem-solving ability</li> <li>○ Project management ability</li> </ul> </li> <li>• 360 degree evaluation</li> </ul>
Towards the “best” organisation structure	<ul style="list-style-type: none"> <li>• Logistics activities and corporate objectives</li> <li>• Corporate size and structure</li> <li>• Determination of functional responsibilities</li> <li>• Flexibility and agility</li> </ul>

### ***Core Reading***

Bowersox, D., Closs, D. and Cooper M.B. (2024). *Supply Chain and Logistics Management*, 6<sup>th</sup> ed. McGraw Hill, US.

Gourdin, K. (2006). *Global Logistics Management: a competitive advantage for the 21<sup>st</sup> Century*, 2<sup>nd</sup> ed. Wiley-Blackwell, Oxford.

Murphy Jr., P.R. and Knemeyer, A.M. (2018). *Contemporary Logistics*, 12<sup>th</sup> ed. Prentice Hall, US.

### ***References***

Bozarth, C.B. and Handfield, R.B. (2019). *Introduction to Operations and Supply Chain Management*, 5<sup>th</sup> ed. Prentice Hall, US.

Lai, K.H. and Cheng, T.C.E. (2009). *Just-in-time Logistics: An Introduction*. Gower, UK.

Heizer, J. and Render, B. (2023). *Operations Management, Sustainability and Supply Chain Management*. 14<sup>th</sup> ed. Pearson.

## **Advanced Level**

### **Logistics Management Stream**

#### **AL 7: Warehousing and Materials Handling**

##### ***Synopsis***

This subject presents the fundamental warehouse management knowledge required of practitioners in logistics and storage and distribution related industries. It covers the role of warehouses and how warehouse management fits into the logistics operations of a firm. The key elements include facility development, warehouses, operations, materials handling, packaging, and its enhancing technology.

The subject aims to provide an understanding and build competence for those studying these key elements of warehouse management that are essential to both commercial and non-commercial organisations.

##### ***Outline of Subject Content***

- A. Role of Warehousing in Logistics Management
- B. Facility Development
- C. Warehouse Operations
- D. Materials Handling Equipment and Packaging
- E. Enabling Technology for Warehouse Management

##### ***Standard of Knowledge and Competence***

###### **A. Role of Warehousing in Logistics Management**

**The Candidate has to demonstrate the knowledge of:**

- Role of warehouses in Logistics Management
- Basic operations of warehouses
- Functions and importance of warehousing

**The Candidate should be able to:**

- Describe the operations of a warehouse
- Identify the uses of various types of warehouse
- Decide on whether to develop “in-house” or “contract out” warehousing
- Determine the needs for storage

###### **B. Facility Development**

**The Candidate has to demonstrate the knowledge of:**

- Concepts and theories on location choice
- Factors affecting the size, number and location of warehouses

**The Candidate should be able to:**

- Decide the location and size of a warehouse
- Formulate strategies for locating a warehouse
- Design the basic storage system in a warehouse

**C. Warehouse Operations**

**The Candidate has to demonstrate the knowledge of:**

- Various activities in warehouse operations
- Various systems for item picking in warehouses
- Principles in receiving and put-away
- Requirements on cargo security

**The Candidate should be able to:**

- Benchmark the operations of a warehouse
- Determine the uses of different picking systems
- Evaluate the choice of equipment to be used in warehouse operations
- Design work study processes for warehouse operations
- Discuss the fulfilment of the requirements of warehouse security for various stakeholders

**D. Materials Handling Equipment and Packaging**

**The Candidate has to demonstrate the knowledge of:**

- Types of equipment for materials handling
- Factors affecting package design
- Marketing and logistics functions of packaging

**The Candidate should be able to:**

- Decide on whether to use manual or automated systems
- Relate the functions of packaging to logistics operations
- Determine suitable systems and equipment for materials handling

**E. Enabling Technology for Warehouse Management**

**The Candidate has to demonstrate the knowledge of the:**

- Functions and forms of various enabling technologies for warehouse management
- Components and functions of a Warehouse Management System (WMS)
- Considerations of using WMS

**The Candidate should be able to:**

- Determine the form of acquiring the required technology
- Comment on the suitability of various types of enabling technologies for warehouse management
- Evaluate the impact of applying Information Technologies for warehouse operations



## **Key Knowledge Areas**

### **A. The Role of Warehousing in Logistics Management**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Nature and importance of warehousing	<ul style="list-style-type: none"> <li>• Definition</li> <li>• Warehousing and distribution centres</li> <li>• Warehousing tasks</li> <li>• Warehousing functions</li> </ul>
Reasons for storage	<ul style="list-style-type: none"> <li>• Transport-production cost reduction</li> <li>• Coordination of supply and demand</li> <li>• Production needs</li> <li>• Marketing considerations</li> </ul>
Uses of warehouses	<ul style="list-style-type: none"> <li>• Holding <b>stock/goods</b></li> <li>• Consolidation</li> <li>• Break-bulk</li> <li>• Mixing</li> </ul>
Types of warehouses	<ul style="list-style-type: none"> <li>• Private warehouses</li> <li>• Public warehouses</li> <li>• Cross-docking warehouses</li> <li>• Contract warehouses</li> </ul>

### **B. Facility Development**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Size and number of warehouses	<ul style="list-style-type: none"> <li>• Factors affecting warehouse size and number of warehouses</li> <li>• Warehouse size and materials handling equipment</li> <li>• Demand and warehouse size</li> </ul>
Location analysis	<ul style="list-style-type: none"> <li>• Market-positioned warehouses</li> <li>• Production-positioned warehouses</li> <li>• Intermediately-positioned warehouses</li> <li>• Various Important location models: <ul style="list-style-type: none"> <li>➢ Von Thunen's model</li> <li>➢ Weber's model</li> <li>➢ Hoover's model</li> <li>➢ Greenhunt's model</li> </ul> </li> <li>• Site Selection Approaches: <ul style="list-style-type: none"> <li>➢ Center-of-Gravity approach</li> <li>➢ Schmenner's eight-step approach</li> </ul> </li> </ul>
Warehouse layout and design	<ul style="list-style-type: none"> <li>• Warehouse design principles</li> <li>• Productive and non-productive areas</li> <li>• Randomised storage</li> <li>• Dedicated storage</li> <li>• Warehouse redesign</li> </ul>

### **C. Warehouse Operations**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Monitoring warehouse operations	<ul style="list-style-type: none"> <li>• Warehouse activity profiling</li> <li>• Measuring and benchmarking warehouse performance</li> </ul>

Receiving and put-away principles	<ul style="list-style-type: none"> <li>• Receiving</li> <li>• Put-away</li> </ul>
Pallet storage and retrieval systems	<ul style="list-style-type: none"> <li>• Pallet storage systems</li> <li>• Pallet retrieval systems</li> </ul>
Case picking system	<ul style="list-style-type: none"> <li>• Pick face palletising systems</li> <li>• Downstream palletising</li> <li>• Direct loading systems</li> <li>• Case picking systems selection</li> </ul>
Small item picking systems	<ul style="list-style-type: none"> <li>• Picker-to-stock systems</li> <li>• Stock-to-picker systems</li> <li>• Automated item dispensing machines</li> <li>• Broken case picking systems comparison and selection</li> </ul>
Order picking operations	<ul style="list-style-type: none"> <li>• Issue pack optimisation</li> <li>• Pick from storage</li> <li>• Pick task simplification</li> <li>• Order batching</li> <li>• Slotting optimisation</li> <li>• Pick sequencing</li> </ul>
Utilising and shipping	<ul style="list-style-type: none"> <li>• Container optimisation</li> <li>• Container loading and void filling</li> <li>• Weight checking</li> <li>• Automated, direct loading</li> <li>• Dock management</li> </ul>
Warehouse workforce design	<ul style="list-style-type: none"> <li>• Safety and ergonomic training</li> <li>• Time standards, incentives, and personnel schedule</li> <li>• Optimal management-operator ratios</li> <li>• Cross-training</li> </ul>
Warehouse security	<ul style="list-style-type: none"> <li>• Warehouse security – supply chain security, TAPA certification</li> <li>• Requirements by other authorities such as customs, civil aviation department</li> </ul>

#### **D. Materials Handling Equipment and Packaging**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Manual systems	<ul style="list-style-type: none"> <li>• Storage and order-picking equipment</li> <li>• Storage racks</li> <li>• Bin shelving systems</li> <li>• Modular storage</li> <li>• Transport and storage equipment</li> </ul>
Automated systems	<ul style="list-style-type: none"> <li>• Automated storage and order-picking equipment</li> <li>• Carousels (horizontal and vertical)</li> <li>• Automated guided vehicle (AGV) systems</li> <li>• Robots</li> <li>• Shipping automation</li> <li>• Computerised documentation</li> </ul>
Functions of packaging	<ul style="list-style-type: none"> <li>• Marketing functions</li> <li>• Logistics functions: containment, protection,</li> </ul>

	apportionment, utilisation, convenience, and communication
Package design	<ul style="list-style-type: none"> <li>• Factors influencing package design</li> <li>• Packaging and logistics cost trade-offs</li> </ul>

### **E. Enabling Technology for Warehouse Management**

<b>Key Knowledge Areas</b>	<b>Coverage</b>
Warehouse technology	<ul style="list-style-type: none"> <li>• Warehouse management System (WMS)</li> <li>• Radio Frequency Identification (RFID)</li> <li>• Bar-code technology and label generation equipment</li> <li>• Wireless communication inside warehouses</li> <li>• Electronic data interchange (EDI)</li> <li>• Transportation Management Systems (TMS)</li> <li>• Interface to Enterprise Resources Planning (ERP) systems</li> <li>• <b>The warehouse of the future</b></li> </ul>
WMS Components	<ul style="list-style-type: none"> <li>• General requirements</li> <li>• Inventory location and management requirements</li> <li>• Receiving requirements</li> <li>• Put-away requirements</li> <li>• Order management requirements</li> <li>• Replenishment requirements</li> <li>• Picking requirements</li> <li>• Labour management requirements</li> <li>• Shipping requirements</li> <li>• Work flow management</li> </ul>
WMS justification, selection and implementation	<ul style="list-style-type: none"> <li>• WMS and efficiency enhancement</li> <li>• WMS buy versus build decision issues</li> <li>• WMS impacts analysis</li> <li>• WMS implementation</li> </ul>

### **Core Reading**

Frazelle, E. (2016). *World-Class Warehousing and Materials Handling*. 2<sup>nd</sup> ed, McGraw Hill, US.

Richards, G. (2018). *Warehouse Management: A Complete Guide to Improving Efficiency and Minimising Costs in Modern Warehouse*, 3<sup>rd</sup> ed. Kogan Page, UK.

### **References**

Jeron, P. van den Berg (2007). *Integral Warehouse Management: The Next Generation in Transparency, Collaboration and Warehouse Management Systems*. Management Outlook Publishing, Netherlands.

Liu, H. (2014). *Warehouse and Distribution Centre*. Design Media Publishing Limited