

# **Top 45 Logistics & SCM Interview Questions & Answers**

## **1) What are the responsibilities of a logistician?**

Primary role of a logistician is to

- Manage the supply chain
- Transportation and storage of material
- Transportation management

## **2) What is the different position a person can work in logistic industry?**

A person can work under various position

- Logistic director
- Logistic supervisor
- Logistic associate
- Logistic engineer
- Logistic coordinator
- Logistic specialist
- Logistic analyst

## **3) Explain what is supply chain management?**

Supply chain management includes an integrated approach of planning, implementing and controlling the flow of information, materials and service from raw material to the finished good for the ultimate distribution to the customer.

## **4) Explain what is ASN (Advance Shipping Notice)?**

It is a notice that is sent to the customer about the detailed shipment information in advance of delivery. It may also include carrier and shipment related information like time of shipment and expected time of arrival.

## **5) Explain what is Anti-Dumping duty?**

Anti-dumping duty is an import duty levied in cases where imported goods are priced at less than the normal price in the exporter's domestic market and cause material loss to the domestic industry of the importing country.



### **6) Explain what is LTL (Less than truckload)?**

LTL (Less than Truckload) shipment is a contract between the shipper and transport owner. According to the contract, instead of the entire truck, the shipment are priced according to the weight of the freight and mileage within designated lanes.

### **7) Explain the term deadweight tonnage?**

Deadweight tonnage is the difference between the laden and unladen weight of the ship. In other words, it is the weight of everything that ship carries except the ship itself.

### **8) Explain how to organize storage area for bulk items?**

Look storage place which has the facility of single, double or multiple depth locations

- Bulk storage in vertical or straight direction: It is the most common method of organizing the container, it is organized in a vertical direction piling the container over each other.
- Bulk storage at angle: It is one of the solutions that can be applied in a situation when there is a limited place to accommodate containers. But it is applicable in special cases only, depending upon what material it carries.

### **9) Explain what is cross docking?**

Cross docking is a process of unloading materials from an incoming semi-truck and loading directly into out-bounds trucks or trailers. It reduces handling costs, operating costs and the storage of inventory.

### **10) Explain what is TEU?**

TEU stands for Twenty foot Equivalent Unit. It is a method of calculating vessel load or capacity, in units of containers that are twenty feet long. For example, a 40ft long container measure 2TEUs.

### **11) What is the advice of shipment and advising bank?**

- Advice of shipment: It is a notice sent to a foreign buyer or local trader informing them that the shipment has processed forward and carried information about packing, routing, etc. A copy of the invoice is often sent with it and if recommended a copy of landing also attached along with that.
- Advising Bank: Advising bank is a bank operating in the seller's country, that handles letters of credit in behalf of a foreign bank

### **12) Explain what is affreightment?**

Afreightment is a contract between ship owner and merchant, where ship owner provides or rented the space in the ship to the merchant for an agreed amount and for a specific period. In this contract, merchant is liable for the payment whether or not the ship is ready for the shipment.

### **13) What does a bill of lading include?**

A bill of lading includes following details

- Name and complete address of shippers and receivers
- Special account numbers or PO used between business for order tracking
- Instruction for the carrier for secure delivery
- Date of the shipment
- Number of shipping units
- Types of packaging that includes cartons, pallets, skids and drums
- Description about the shipped items (common name & material of manufacture)
- Declared value of the goods being shipped
- Note included if there is any hazardous substance in it
- Exact weight of the shipments – for multiple commodities, weight for each commodity is mentioned separately
- Freight classification of the items shipped, according to NMFC (National Motor freight classification)

### **14) Explain what is blanket way bill?**

A way bill which covers two or more consignment of freight is referred as blanket way bill.

### **15) What are the activities performed at operational level in logistics'?**

Various activities at operational level includes

- Goods receipt and checking
- Bulk storage
- Order picking
- Stock replenishment
- Order marshalling
- Load Scheduling
- Returns
- Availability of Personnel
- Update of stock
- Completion of documentation

### **16) Mention what is freight class based on?**

Freight class is based on four factors

- Density: Weight per cubic foot
- Freight Stowability: width and length based on carrier mode rules
- Ease of handling: Evaluation of the effort required in transporting
- Liability: It includes liability to damage, breakability and perishability, freight price per pound and susceptibility of theft

### **17) Explain what is declared the value for carriage?**

Declared value for carriage is the value of the goods, declared by the shipper on the bill of lading, to determine the limit of the carrier's liability or a freight rate.

### **18) Explain what is export declaration?**

Export declaration is a government document that defines the goods to be supplied out of the country. This declaration should be filed by exporter to the U.S government.

### **19) Explain what is documents against acceptance?**

A documents against acceptance are an arrangement or provision, where exporter instructs a bank to hand over shipping and title documents to the importer only if the importer agrees the accompanying bill of exchange or draft by signing it. This provision ensures that the buyer is legally bound to pay the full price to the exporter for the shipments, before ownership is transferred.

### **20) Explain what is the difference between document against acceptance and document against payment?**

- Document against payment: The document remains with bank and importers have to pay the exporter before they release the documents. In this payment is immediate, and document is released quickly
- Document against acceptance: In this importer gives 30-45 days to bank to deduct the amount and then release the documents. In this provision, there is much risk, and if there is no sufficient balance in the account then, the process will get delayed.

### **21) Explain what is Carton Clamps?**

It is the most versatile attachment used for handling and transporting multiple unpalletized products such as furniture, carton, appliances, etc.

### **22) What is SKU number?**

Stock Keeping Unit also referred as SKU number is a unique code used to identify particular line items.

### **23) What are APS, ASN and ASRS?**

- APS: It stands for Advance Planning and Scheduling
- ASN: It stands for Advanced Shipment Notifications
- ASRS: Automated Storage and Retrieval Systems

### **24) What is compliance labels?**

Compliance label are used as shipping labels, carton labels, pallet labels and they usually contain bar codes. It is used for the identification of goods delivered.

### **25) Explain what is consignment inventory?**

Consignment inventory is in the possession of the customer but still owned by the supplier. It means you will pay the supplier only when their goods are sold.

### **26) Explain what is chargeback?**

When any shipment that does not meet the customers decided terms and conditions, a financial penalty is charged against the supplier by customer. This charge is referred as charge back. For example, lack of proper packaging or labelling.

**27) Explain what is cycle time?**

Cycle time is the time consumed to get an order from order entry to the shipping dock.

**28) Explain what is bonded warehouse?**

Bonded warehouse is a dedicated portion of a facility where imported goods are stored before the customs duties or taxes are being paid.

**29) Explain what is blind shipment and bread bulk?**

When the source of the supplier is hidden from the customer, such shipment is referred to as a blind shipment.

Bread bulk is referred to as overseas shipments, where the cargo being shipped consists of smaller units like crates, bales, cartons and so on.

**30) What are the major transportation issues in warehousing?**

The major transport issues in warehousing are

- Costs
- Delays
- Tracking and communications
- Warehouse Safety

**31) Explain what is batch picking?**

The technique of transporting inventory which is grouped into small batches at one go is known as batch picking.

**32) Explain what is wave picking?**

Wave picking is a technique of assigning orders into groups and releasing them together, so as to allow several activities to run parallel and complete the task.

**33) Explain what is the difference between logistics and transport?**

**Logistics:** Logistics is referred to as the procedure of managing goods, resources and information from the source to the consumers in a manner that fits the requirements of both parties.

**Transportation:** Transport is the movement of the goods from one point to the other. It is considered as part of logistics.

**34) In inventory management what do you mean by allocation?**

It is a demand which is created by the Sales Order or Work Orders next to a particular team.

**35) Explain what is a capacity requirement planning?**

It is a process for determining the quantity of machine and manual labor resources necessary to assemble a production.

**36) Explain what is activity based costing?**

It is a method which helps in the breakdown of the costs into specific activities in order to

maintenance of accuracy in the distribution of costs in product costing.

### **37) Explain what is the meaning of Triage?**

The sorting of products or goods based on their condition or quality is referred as Triage. Some of the goods needs to be repaired and sent back, others have to be sold off as used or defective goods.

### **38) Explain what is meant by Reverse Logistics?**

Reverse Logistics is the collection of all processes that come into play for goods that move in the reverse directions which means transportation of goods customer to the business.

### **39) What are the main supply chain challenges companies face today?**

The five big challenges that companies face today is

- Ignoring the continued growth of e-commerce as a channel in the industrial sector
- No attention to the potential risk like volatile transportation costs
- Over expectation that supply chain management technologies will fix everything
- Over-reliance on past performance to predict future sales
- Increase complexity added to supply chain operations with implementation of unnecessary technologies
- Lack of understanding of the full capacities of suppliers and service

### **40) What are the areas should be focussed more in order to improve warehouse transportation?**

- Delivery Frequency
- Turnaround Times
- Journey Times
- Fixed Routing
- Unification of product
- Performance standard
- Vehicle fill
- Scheduling
- Vehicle and operational records
- Preloading

### **41) Explain what is WTS (Warehouse Tracking System)? How does it work?**

WTS or Warehouse Tracking System is a software application which is specifically designed for the warehouse industry. It uses the system of barcode labels which allows you to track product movement, audits and shipments easily. It enables you to identify each piece of stock by a unique serial number.

### **42) With the help of WTS how you can generate an Invoice?**

There are two ways you can generate Invoice using WTS technique

- One way of creating an invoice is assigning it directly with the orders that you are working on
- And the other way is to export the order to QuickBooks and create the invoice there.

### **43) How Warehouse Tracking System will be helpful in warehouse transportation?**

In the warehouse, WTS will help you

- Eliminate searching for lost products and saves your transportation time
- Reduce picker walk time
- Monitor warehouse activity and order status in real time

**44) What are the important aspects of transportation and fleet management?**

The important aspects of transportation and fleet management

- Transport Acquisition
- Transport Planning
- Routing maintenance planning
- Fleet maintenance and Scheduling
- Risk management
- Human resource management

**45) From health and safety point what are things to be taken care while warehouse transportation?**

- Don't leave items in aisles on the floor or perched insecurely on a surface
- Clean up all spills immediately
- Don't block fire exits, sprinklers or fire extinguishers
- Put items in their assigned places
- Don't leave sharp tools or cutters perching out
- Keep cord and wires off the floor
- Report loose flooring or tripping hazards
- Dispose of trash immediately in proper containers

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