# **Multimodal questions**

## **Answer following questions**

# ***Question 1***

## The Wagner company supplies electric motors to Electronic Distributors Inc. on a delivered-price basis. Wagner has the responsibility for providing transportation. The traffic manager has three transportation service choices for delivery – rail, piggyback, and truck. He has compiled the following information :

|  |  |  |  |
| --- | --- | --- | --- |
| **Transport mode** | **transit time and days** | **Rate $/Unit** | **Shipment Size, units** |
| Rail | 16 | 25.00 | 10,000 |
| Piggyback | 10 | 44.00 | 7,000 |
| Truck | 4 | 88.00 | 5,000 |

Electronic Distributors purchases 50,000 units per year at a delivered contract price of 500 $ per unit. Inventory-carrying cost for both companies is 25% per year. Which mode of transportation should Wagner select?

# ***Question 2***

## What is the appropriate transportation service for a shipment of lettuce from California to New-York by air, piggyback, rail or truck or some combination ?

# ***Question 3***

## What kind of transportation service is useful for :

## Shipping personal computer monitors from South Korea to London ?

# ***Question 4***

Identify two of 11 incoterms which are popular with air express carriers.

# ***Question 5***

## Compare cost allocation of railroads with motor carriers and suggest how this might influence the rate structure of each.

# ***Question 6***

## Explain how freight rates typically vary with: the weight of shipment ; the distance a shipment is transported ; and the value of the transport service and identify distinctive factors

# ***Question 7***

A company ships a particular product to a market located 1000 miles from the plant at a cost of $4 per mile. Normally it ships 500 units at a time. What is the line-haul cost per unit?

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