

Level 3 Certificate of Professional Competence for Transport Managers (Road Haulage) Unit R2

05689

Friday 14 September 2018
1.00 PM – 3.15 PM

Time Allowed: 2 hours 15 minutes

You must have:

- the case study

You may use:

- a calculator
- a dictionary
- any written materials

Centre name			
Centre number		Candidate number	
First name		Last name	

INSTRUCTIONS

- Fill in all the boxes above. Please write clearly and in capital letters.
- Use black or blue ink.
- Answer **ALL** the questions.
- Write your answer to each question in the space provided.
- If additional space is required, you should use the lined page(s) at the end of this booklet.
- Additional paper may be used if required but you must clearly show your candidate number, centre number and question number(s).
- Do all calculations and rough work in this booklet. Cross out any work you do not wish to have marked.

INFORMATION

- The total mark for this paper is **60**.
- The number of marks is given in brackets at the end of each question or part question.
- This document consists of **16** pages. Any blank pages are indicated.
- Assessment material has been prepared in line with legislation current at the time of production. Any subsequent changes to legislation have not been taken into account, however, responses that refer to amended legislation will be credited.

FOR EXAMINERS' USE ONLY			
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TOTAL =			

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TURN OVER FOR NEXT QUESTION

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2 If CCD is successful in winning the work described in 'Project 1' in the case study, it will invoice its customer for services provided.

(a) State the percentage rate of VAT that would have to be added to CCD's invoices for the unaccompanied trailer movements and outline **ONE** reason why that rate would apply.

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[2]

(b) CCD carries containers to and from Ireland for customers registered for VAT in that country.

State the percentage rate of VAT that would have to be added to CCD's invoices for these movements and outline **ONE** further action CCD must take with regard to VAT.

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[2]

(c) CCD issues VAT invoices to its UK customers for work completed.

Give **THREE** details that CCD must include on the VAT invoices it issues.

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[3]

3 Some of CCD's work is covered by the CMR Convention.

(a) Outline **ONE** reason why any movements completed by CCD to and from customers in Ireland are not covered by the CMR Convention.

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[1]

(b) For movements that are covered by the CMR Convention, give **SIX** details that must be entered on the CMR Consignment Note.

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[6]

4 CCD is considering opening a new depot at Liverpool and closing its depots in Heysham and Crewe, as described in 'Project 2' in the case study.

(a) Describe the online application that CCD will need to be submit to the Central Licensing Office for these changes.

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(b) Describe the procedure that CCD would have to follow if it does not have an Internet connection and cannot access the Traffic Commissioners' digital services.

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[2]

(c) The number of vehicles and trailers authorised and in possession at CCD's current operating centres are set out in the case study (Fig. 1). If the company transfers its Heysham and Crewe operations to a new operating centre at Liverpool, it will allow a margin of 60% over the vehicles in possession and a margin of 40% over the trailers in possession.

(i) Calculate the number of additional vehicles and the number of additional trailers that CCD will require at Liverpool.

Note: You must show all your workings.

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(ii) Calculate the total number of authorised vehicles and the total number of trailers that CCD would apply for on the operator licence for the proposed Liverpool operation.

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(iii) Calculate the additional Financial Standing in £ that CCD would need to show for the vehicles to be authorised at Liverpool.

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5 CCD will buy one tractor unit for use on the service described in 'Project 2' in the case study.

Use the information provided in the case study to calculate the the annual depreciation and the final book value of the new tractor unit after three years.

Note: You MUST show all your workings.

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- 6 CCD currently runs a daily circular container transfer service between its operating centres, as described in 'Project 2' in the case study. It is considering changing the route to operate via Liverpool, using the proposed new tractor unit. The directors want to know the amount of fuel used on the current route, the amount of fuel that would be used on the proposed new route and the resulting cost saving.

Notes:

You **MUST** show fuel quantities in litres, to THREE decimal places and cost amounts to the nearest 1p.

You **MUST** show all your workings.

Assume that fuel costs £0.96 per litre.

- (a) Calculate the number of litres of fuel used per day and the cost of that fuel for the current daily container transfer service.

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- (b) Calculate the number of litres of fuel to be used per day and the cost of that fuel for the proposed daily container transfer service via Liverpool, using the new tractor unit.

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(c) Calculate the daily saving in the cost of fuel that CCD will achieve by making the proposed changes.

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[1]

- 7 Brenda thinks that it might be a good time to convert CCD from a private limited company to a public limited company and raise capital for the Liverpool development, described in 'Project 2' in the case study.

Brenda has asked you to provide the following information to her.

- (a) State whether the currently issued (and fully paid up) shares in CCD are enough to allow a conversion to a plc. Outline **ONE** reason for your answer.

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[2]

- (b) Identify **TWO** new appointments that the company would need to make.

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[2]

- (c) Identify **THREE** corporate documents that CCD would have to submit with its application to re-register as a public limited company.

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[3]

- 8 CCD's collection and delivery drivers and its trunker drivers collect containers from its depots. These containers will have been already loaded on trailers by shunter drivers.

Outline in detail **FOUR** actions that a CCD driver should take before taking over a loaded trailer from a shunter driver.

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END OF QUESTION PAPER

ADDITIONAL PAPER

The question number MUST be inserted beside each answer

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