



The envelope, which contained this paper, will have been cut open in front of you.

Examination Details:

Paper Title:	Sept 2021 Series - CPC Case Study for Road Haulage
Paper No:	CPCR20921
Date of Examination:	10/09/2021 13:00 - 15:15

Instructions to the candidate - to be read before the examination

Time allowed: 2 hours 15 minutes

You must have:

- the case study

You may use:

- a calculator
- a dictionary
- any permitted written materials

FOR EXAMINERS' USE ONLY	
Q1	
Q2	
Q3	
Q4	
Q5	
Q6	
Total =	

Instructions

- Complete your name and your name below in capital letters and include your date of birth and signature.
- Use black ink.
- Use the case study to answer all the questions.
- Write your answer to each question in the space provided. If you need extra space use the lined page(s) at the end of this booklet. The question numbers must be clearly shown.
- Additional paper may be used if required but you must clearly show your name, date of birth and question number(s).
- Answer **all** the questions.
- Do all calculations and rough work the following pages. Cross out any work you do not wish to have marked.

Information

- The total mark for this paper is **60**.
- The marks for each question are shown in brackets (**()**).
- This document has **9** pages.
- 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.
- **Covid-19:** Candidates will not be questioned on any temporary rules introduced due to Covid-19. Answers that reflect such measures will not be credited.

To be signed by the candidate:

Candidate's name:	
Candidate's date of birth:	
Candidate's signature:	





Background

You work as a sole trader consultant to several transport companies in the UK. You gained a Certificate of Professional Competence in Road Haulage Operations in March 2020. Details of some of your clients are set out in the following table.

Client trading name	Operator licence	Traffic Area	Authorised vehicles	Authorised trailers	Operated vehicles	Operated trailers
Alpha	Standard National	Western	11	5	11	5
	Standard National	Eastern	11	5	10	6
Bravo	Standard National	North Western	17	5	14	5
Charlie	Standard International	West Midlands	12	0	10	0
Delta	Restricted	West Midlands	2	0	2	0
Echo	None	Eastern	-	-	6	1

You act as the transport manager for these five clients. You are named as the only transport manager on each of the four operator licences held by Alpha, Bravo and Charlie. You have tasks to complete and issues to review today, based on the following information.

Alpha

Tim Brown is the Managing Director of Alpha Haulage Ltd. He has told you the following:

- One of Alpha's authorised vehicles recently returned from a journey from the company's operating centre to Madrid (Spain) where goods were delivered for a customer.
- Alpha transferred one authorised vehicle from its operating centre in the Eastern Traffic Area to its operating centre in the Western Traffic Area on 2 August 2021. The vehicle will return to its original operating centre tomorrow.
- Tim requires a detailed driver schedule for the following proposed journey, subject to Regulation EC561/2006:
 - 1 Load vehicle at operating centre for one hour, driver to assist.
 - 2 Drive from operating centre to delivery site (120km at 60kph).
 - 3 Unload goods for one hour, driver to assist. This vehicle must arrive on site at 10.15hrs for unloading to start immediately.
 - 4 Drive to collection site (245km at 70kph).
 - 5 Load goods for 30 minutes, driver to assist.
 - 6 Drive to operating centre (157.5km at 70kph).
 - 7 Unload at operating centre for 30 minutes, driver to assist.
- Alpha's drivers are required to complete one 15-minute daily vehicle check at the start of every shift. Driver breaks must be taken as late as possible and for the shortest possible time.





Bravo

Ann White is the Managing Director of Bravo Transport Ltd. She has told you the following:

- One of Bravo’s drivers is Alan. His tachograph records show 50 hours of driving for the week ended on 5 September 2021. A download from Alan’s tachograph card, taken this morning, shows 41 hours of driving and four rest periods of nine hours each so far this week.
- The company appointed a new Finance Director in April 2021. Ann forgot to inform anyone except for submitting the appropriate form to Companies House.
- Bravo is to use a new 18,000kg GVW vehicle to deliver goods for a customer. Ann wants you to calculate how much the company should charge for a two-day single-manned journey that will cover 795km, using the following financial data.

Cost item	Details
Expected days in use	240 days per year
Vehicle cost on 31 May 2021, excluding the initial set of tyres	£90,000
Depreciation rate	12% per year
Other standing costs	£125 per day
Driver’s wages	£140 per day
Tyre cost	£2,000 per set
Tyre expected life	50,000km
Fuel price	£1.08 per litre
Fuel consumption	9km per litre
Vehicle maintenance costs	£0.10 per km
Profit mark-up	20% on all costs





Charlie

Charlie Logistics operates as a partnership. The two partners have told you the following:

- The partnership is resurfacing part of its operating centre. This has meant that there is currently not enough room for two of its operated vehicles. These have been parked overnight in spaces provided by the owner of a site immediately opposite Charlie's operating centre.
- Charlie's vehicles carry regulated dangerous goods in vehicles with appropriate markings. The drivers and relevant staff all hold valid qualifications for handling and transporting dangerous goods and one of the qualified partners was appointed as Charlie's DGSA in September 2018. That partner also supplies advice on dangerous goods to other companies in return for fees paid to the partnership.
- The business holds its operator licence and a trade licence as a 'vehicle repairer'. It holds no other licences or registrations.
- Last week, one of Charlie's lorries was used to collect some damaged pallets and other debris from a customer's premises. The load was delivered to a nearby waste recycling centre.
- One of Charlie's drivers (Brenda) lost her driver digital tachograph card in May 2021. Brenda took the correct actions at the time but has still not received a replacement card. She continues to work for the partnership, driving an articulated combination to deliver customers' goods.
- The partnership sold one of its vehicles today. As the vehicle has not been in use since its MOT certificate expired, it carried trade plates when it was driven to be delivered to the buyer. The partners notified the Traffic Commissioner of the sale.
- Charlie has recently committed to a contract to deliver a customer's goods. These journeys require Charlie's drivers to collect cash on delivery on behalf of the customer.
- Charlie provides document packs to drivers when their vehicles are carrying regulated dangerous goods internationally, always in rigid, curtain-sided vehicles. The partners have sent you the contents list for these packs, as follows:
 - 1 CMR consignment note.
 - 2 Vehicle ADR approval certificate.
 - 3 Transport document with full details of the load.
 - 4 Vehicle registration document (V5C), insurance certificate and Green Card.
 - 5 Letter of authority to drive the vehicle.
 - 6 Relevant vehicle permits and Carnets for each journey.
 - 7 Proof of origin documentation (when required).
 - 8 European Accident Statement forms.
 - 9 Vehicle security checklist, including checks for clandestines.
- Charlie's accountant has prepared a balance sheet, showing values on 31 August 2021, as shown on the following page.





Fixed assets		£1,000,000
Current assets:		
Stocks of fuel and spare parts	£23,000	
Trade debtors	£32,000	
Cash	<u>£55,000</u>	£ 110,000
Current liabilities		
Trade and other creditors	£65,000	
Bank overdraft (fully used)	<u>£35,000</u>	£ 100,000
Long-term liabilities	-	<u>£ 200,000</u>
		<u>£ 810,000</u>
Share capital, authorised and issued		£ 50,000
Revenue reserve		<u>£ 760,000</u>
		<u>£ 810,000</u>





Delta

Delta Furniture Ltd operates two 7,500kg GVW lorries, used to deliver goods from its shops to customers' premises. The vehicles are contract hired, including all maintenance.

Your review of the company's transport operations for August 2021 disclosed the following:

- One of the drivers was given permission to use a company lorry to move personal items in their own time. The driver was not charged for this.
- One of the lorries was used to transport sheep from a local farm to an abattoir 5km from the farm. The transport required multiple journeys and the driver cleaned and disinfected the vehicle after every journey. The farmer paid £350 for this work.
- Delta owns one shop in Walvingham, in the West Midlands Traffic Area. Both vehicles are currently based there, authorised on a Restricted operator licence. The company's other owned shop is in Bremwich, also in the West Midlands Traffic Area. Delta now wants to transfer one of the vehicles to Bremwich, to be based there permanently from 1 November 2021.

Echo

Chris Collins is the only director of Echo Couriers Ltd. The company operates six 3,500kg GVW vans fitted with digital tachographs and towbars, and one 2,000kg MPW trailer. These are used to collect and deliver customers' goods. Chris has provided some information about a planned series of deliveries, and you have already assembled the following data:

- A customer requires 810 pre-packed boxes to be transported from the customer's factory to its regional distribution centre (RDC), as detailed below.
 - 1 The first delivery must be on a Monday.
 - 2 Once deliveries have started, they must be completed as quickly as possible.
 - 3 Echo can allocate only one driver and one van with trailer each day.
 - 4 The van can carry 8 boxes and the trailer can carry 10 boxes, each per trip.
 - 5 Echo's driver must complete a 15-minute vehicle check at the operating centre at the start of every day.
 - 6 The journey from Echo's operating centre to the customer's factory will take 1 hour, as will the return journey at the end of each day.
 - 7 Loading 18 boxes at the factory will take 5 minutes.
 - 8 Each journey from the factory to the RDC will take 30 minutes, as will each return journey to the factory.
 - 9 Unloading 18 boxes at the RDC will take 5 minutes.





(12 marks)



Question 2
Bravo Transport Ltd.

Ann White has provided you with information about a proposed customer delivery. She has asked you to calculate how much the company should charge its customer.

Use the information provided in the case study to calculate the total cost to Bravo of completing the journey and the amount to be charged to the customer.

Notes:

You **MUST** name each cost item and give a total for each, rounded up to the nearest 1p.

You **MUST** show all your workings.

(12 marks)





Question 3
Charlie Logistics

Charlie’s partners have provided you with information about their business. You are required to provide the partners with an analysis of Charlie’s balance sheet and give advice about insurance policies.

(a) Use the information provided in the balance sheet prepared by Charlie’s accountant, showing values on 31 August 2021, to calculate the following.

Note:
You **MUST** show all your workings and give your answers to two decimal places or the nearest 1p, as applicable.

i. Calculate Charlie’s Working Capital on 31 August 2021.

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.....

(1 mark)

ii. Calculate Charlie’s Working Capital Ratio (Current Ratio) on 31 August 2021.

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.....
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(2 marks)

iii. Calculate Charlie’s Quick Ratio (Acid Test) on 31 August 2021.

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.....
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(2 marks)

iv. Calculate Charlie’s Capital Employed on 31 August 2021.

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.....

(1 mark)





Question 5
Echo Couriers Ltd.

Chris Collins has provided you with information about the planned delivery of 810 boxes. Use the information provided in the case study to calculate the following:

Note:

You **MUST** show all your workings.

(a) Calculate the maximum number of journeys that can be completed in one day by the only vehicle combination and driver that Echo can provide.

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(3 marks)

(b) Calculate the minimum number of days required to be worked, to deliver all 810 boxes.

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(2 marks)

(c) Calculate the maximum possible daily rest period available to a driver who works on these deliveries on two consecutive days.

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(5 marks)

(d) Calculate the minimum number of drivers required to deliver the 810 boxes and outline **ONE** reason why that number will be needed.

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(2 marks)





Question 6

The case study provides information about your activities as transport consultant and transport manager for five clients.

Use the information provided in the case study to identify and describe **TEN** offences, breaches of regulations or breaches of operator licence undertakings that have been committed or will be committed if the plans outlined are actioned.

Note:

You **MUST** give a clear description each offence or breach and you **MUST** identify the company or individual who has committed it.

	Description of offence or breach	Company or individual committing the offence or breach
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

(10 marks)





Extra Sheet 2

A series of horizontal dotted lines for writing.

