

## **SQA Advanced Unit Specification**

### **General information**

**Unit title:** International Physical Distribution

**Unit code:** HP0W 48

**Superclass:** BF

**Publication date:** August 2017

**Source:** Scottish Qualifications Authority

**Version:** 01

### **Unit purpose**

This Unit will enable candidates to understand the process and management of international physical distribution. It is aimed principally at candidates who aspire to work in the area of international physical distribution, exporting and freight forwarding.

### **Outcomes**

On successful completion of the Unit the learner will be able to:

- 1 Explain the process of physical distribution management in importing and exporting for an organisation.
- 2 Analyse and evaluate the international physical distribution function of an organisation for delivery and cost of delivery of goods.
- 3 Explain the factors affecting the movement of an export or import order.

### **Credit points and level**

1 SQA Credit at SCQF level 8: (8 SCQF credit points at SCQF level 8)

### **Recommended entry to the Unit**

Entry is at the discretion of the centre but it would be beneficial if candidates have prior knowledge or experience related to exporting or physical distribution and have achieved the Core Skill of Communication at SCQF level 5 or equivalent.

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### Core Skills

There are opportunities to develop the component Written Communication of the Core Skill of *Communication* and the components Critical Thinking and Planning and Organising of the Core Skill of *Problem Solving* at SCQF level 6, and the Core Skills of *ICT* and *Numeracy* at SCQF level 5 in this Unit, although there is no automatic certification of Core Skills or Core Skills components.

### Context for delivery

If this Unit is delivered as part of a Group Award, it is recommended that it should be taught and assessed within the subject area of the Group Award to which it contributes.

The Assessment Support Pack (ASP) for this Unit provides assessment and marking guidelines that exemplify the national standard for achievement. It is a valid, reliable and practicable assessment. Centres wishing to develop their own assessments should refer to the ASP to ensure a comparable standard. A list of existing ASPs is available to download from SQA's website (<http://www.sqa.org.uk/sqa/46233.2769.html>).

### Equality and inclusion

This Unit specification has been designed to ensure that there are no unnecessary barriers to learning or assessment. The individual needs of learners should be taken into account when planning learning experiences, selecting assessment methods or considering alternative evidence.

Further advice can be found on our website [www.sqa.org.uk/assessmentarrangements](http://www.sqa.org.uk/assessmentarrangements).

## **Unit Specification: Statement of standards**

### **Unit title:** International Physical Distribution

Acceptable performance in this Unit will be the satisfactory achievement of the standards set out in this part of the Unit specification. All sections of the statement of standards are mandatory and cannot be altered without reference to SQA.

### **Outcome 1**

Explain the process of physical distribution management in importing and exporting for an organisation.

#### **Knowledge and/or Skills**

- ◆ Role of the physical distribution manager
- ◆ Organisational structures in international trade departments
- ◆ Links with internal and external organisations for international trade

### **Outcome 2**

Analyse and evaluate the international physical distribution function of an organisation for delivery and cost of delivery of goods.

#### **Knowledge and/or Skills**

- ◆ International transport modes
- ◆ Consignment delivery terms
- ◆ Consolidation and groupage arrangements
- ◆ Least total cost concept
- ◆ Integration of international distribution procedures and documentation

### **Outcome 3**

Explain the factors affecting the movement of an export or import order.

#### **Knowledge and/or Skills**

- ◆ Packing and marking of consignments
- ◆ The nature and purpose of cargo insurance
- ◆ Role of International Customs
- ◆ Transport Modes, contractual limitations and unexpected circumstances

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### **Evidence Requirements for this Unit**

Assessment of this Unit will be completed under open-book conditions in the candidate's own time.

Candidates will need to provide evidence to demonstrate their Knowledge and/or Skills across all Outcomes by showing that, for a given international trading organisation, they can:

#### **Outcome 1**

- ◆ Explain the role of the physical distribution manager where the manager's tasks include planning, organisation, coordinating, delegating, resourcing, budgeting and controlling.
- ◆ Explain the organisational structure of the international trade department and compare its appropriateness to the organisation over other types of departmental structure.
- ◆ Describe the links between the international trade department and the following:
  - External facilitators and agencies
  - Other internal departments of the organisation

#### **Outcome 2**

- ◆ Analyse International transportation modes and evaluate their charges for journeys to a given specification where the modes include sea, air, rail, road and multi mode
- ◆ Explain consignment delivery terms for all types of transport where the terms include EXW, FOB, CFR, CIF, DDP
- ◆ Assess consolidation and groupage arrangements for specific situations where the arrangements include direct, consolidation and groupage.
- ◆ Explain the least total cost concept for international physical distribution where the costs include visible and hidden costs
- ◆ Explain the importance of procedures and documentation in the integration of international distribution in the following areas for a given journey:
  - Transport
  - Commerce
  - Customs

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### Outcome 3

- ◆ Explain the considerations involved in the packing and marking of consignments for given products and destinations where the considerations include physical, legal and contractual requirements
- ◆ Explain the nature and purpose of cargo insurance with reference to overseas trade and should include references to the EXW, FOB, CFR, CIF, DDP
- ◆ In relation to the movement of goods and materials describe the role of International Customs in respect of:
  - Documentation
  - Procedure
  - Duties
- ◆ In a given situation, explain how the movement of the consignment is influenced by the following factors:
  - Transport modes
  - Contractual limitations
  - Unexpected circumstances

### Unit Specification: Support notes

#### Unit title: International Physical Distribution

Unit Support Notes are offered as guidance and are not mandatory.

While the exact time allocated to this Unit is at the discretion of the centre, the notional design length is 40 hours.

#### Guidance on the content and context for this Unit

This Unit enables candidates to understand the process and management of international physical distribution. It is aimed principally at candidates who aspire to work in the area of international physical distribution, exporting and freight forwarding.

Outcome 1 develops the candidates' understanding of the process and management of physical distribution in an international trading organisation. In particular looking at the role of the physical distribution manager, the structure of international trade departments and the relationships with other internal departments and external integrating bodies, such as Freight Forwarders and Carriers, HM Revenue and Customs, Custom Brokers and Agents.

In Outcome 2 the candidate has to evaluate the international physical distribution function of an organisation in integrating the shipment of goods according to the modes of transport available, the terms of trade, groupage/consolidation arrangements and procedures/documentation.

Outcome 3 requires the candidate to consider the difficulties which may be encountered by the international trading organisation in the movement of goods with reference to transport problems, packaging of goods, cargo insurance, political unrest and customs.

#### Guidance on approaches to delivery of this Unit

Candidates are required to identify and research an organisation engaged in international physical distribution, and to plan, schedule and carry out their private research to back up the taught elements of this Unit. Both taught and self-directed aspects of learning will be combined to enable the candidate to complete an appropriate report.

Teaching and learning might include videos, case studies, visiting speakers and possibly visits to companies such as manufacturers and retailers.

Candidates are required to undertake a significant amount of research for learning and assessment, therefore it is suggested that some class time be allocated to offering support to candidates in their research activities, both via centre resources and contact with the lecturer/assessor. It is envisaged that more class time would be allocated to teaching over research activity.

### Guidance on approaches to assessment of this Unit

Evidence can be generated using a variety of assessment instruments. The following are suggestions only. There may be other methods that would be more suitable to candidates.

The assessment task will be carried out in the candidates' own time and will involve a substantive element of research

Assessment of this Unit can be integrated for a more holistic approach. It is possible for evidence to be generated for all Outcomes using a single report based on research of an organisation chosen by the candidate. The assessment could comprise of a report of approximately 2,000 words, or equivalent, completed in candidates' own time.

It is recommended that candidates identify sources of information used in the compilation of the report

This assessment may be managed by identifying a number of stages of development based on the Outcomes contained in the Unit. Each stage or Outcome should form part of the final report. Candidates would be expected to submit each stage by a designated date and time.

Alternatively assessment for this Unit can be done on an Outcome by Outcome basis.

Centres are reminded that prior verification of centre devised assessments would help to ensure that the national standard is being met. Where learners experience a range of assessment methods, this helps them to develop different skills that should be transferable to work or further and higher education.

### Opportunities for e-assessment

E-assessment may be appropriate for some assessments in this Unit. By e-assessment we mean assessment which is supported by Information and Communication Technology (ICT), such as e-testing or the use of e-portfolios or social software. Centres which wish to use e-assessment must ensure that the national standard is applied to all learner evidence and that conditions of assessment as specified in the Evidence Requirements are met, regardless of the mode of gathering evidence. The most up-to-date guidance on the use of e-assessment to support SQA's qualifications is available at [www.sqa.org.uk/e-assessment](http://www.sqa.org.uk/e-assessment).

## Opportunities for developing Core and other essential skills

There are no Core Skills embedded in this Unit. However, the following table gives some examples of the opportunities for developing Core Skills within this Unit.

Core Skill	SCQF level	Opportunities for development
<b>Communication</b>	Level 6	All three Outcomes can contribute to the reading and writing aspects of this Core Skill.
— Written Communication (Reading)	Level 6	Candidates are expected to read and understand complex written information.
— Written Communication (Writing)	Level 6	There are opportunities to develop written communication where candidates produce written responses as these have to be well-structured and clear responses addressing the Evidence Requirements. At least one Outcome would require evidence in the form of the production of a structured report.
<b>Problem Solving</b>	Level 6	There is the opportunity to develop <i>Problem Solving Skills</i> . Outcome 2 in particular can contribute to critical thinking where the candidate has the opportunity to use cognitive skills to assess international transportation modes and their charges for journeys; and consolidation and groupage arrangements. Planning and Organising skills can be developed through research and processing of information.



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<b>Core Skill</b>	<b>SCQF level</b>	<b>Opportunities for development</b>
<b>Numeracy</b>	Level 5	Candidates may also be able to gain <i>Numeracy</i> skills through their examination of the total cost concept for international physical distribution.
<b>Information and Communication Technology (ICT)</b>	Level 5	Candidates are required to use Information and Communication Technology (ICT) when undertaking research and processing information about their chosen organisation. Finished reports may include graphics, tables or spreadsheets to illustrate points.

## History of changes to Unit

Version	Description of change	Date

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SQA acknowledges the valuable contribution that Scotland's colleges have made to the development of SQA Advanced Qualifications.

**FURTHER INFORMATION:** Call SQA's Customer Contact Centre on 44 (0) 141 500 5030 or 0345 279 1000. Alternatively, complete our [Centre Feedback Form](#).

### General information for learners

#### Unit title: International Physical Distribution

This section explains what the Unit is about, what you will cover within the Unit, and ways you may be assessed.

The Unit will enable you to understand the process and management of international physical distribution. It is aimed principally at those who aspire to work in the area of international physical distribution, exporting and freight forwarding.

You will consider the processes and issues involved in international physical distribution in order to determine the most suitable methods of organising import and export trade, including the issues involved in, for example, documentation, insurance, packing and marking.

In Outcome 1 you will develop an understanding of the process and management of physical distribution in an international trading organisation. In particular looking at the role of the international physical distribution department in organising the movement of goods, the relationships with other departments and external integrating bodies, and also the various ways international trade departments are structured.

In Outcome 2 you will learn to evaluate the international physical distribution function of an organisation for delivery and cost of delivery of goods, considering integrating the shipment of goods according to the terms of trade, groupage/consolidation arrangements and assessment of the modes of transport available.

In Outcome 3 you will give you an understanding of the difficulties which might be faced in transporting goods from one place to another with reference to transport problems, packaging of goods, cargo insurance, political unrest and customs

The Unit will be assessed by a report or reports which will include information which you will have obtained by carrying out research into an international trading organisation of your choice, allowing you to bring together theory and practice.

Over the course of this Unit, there may be opportunities for you to develop Core Skills in the areas of *Communication*, *Problem Solving*, *ICT* and *Numeracy*. The practical skills gained in the planning and organising of your research will be useful in further study or in employment.