Rav Logistics Ltd

Background

You have been hired as a Commercial Manager by Rav Logistics Ltd, a mid-size logistics provider, based in Singapore.

The main purpose of your job is to develop and market new transport and logistics services to shippers, retailers and manufacturing businesses. In addition, the scope includes composing and secure contract work from global brands.

The company operates a fleet of trucks and a large warehouse. This fleet of trucks comprises multi-utilities vehicles to serve different segment of customers. Warehouse was also used for non-core business activity. The accountant has given you some data that has been compiled by the Managing Director.

Requirements and Deliverables

1. You have been tasked by the Managing Director to appraise a logistics market that Rav Logistics Ltd operates and competes from a macro and micro economic perspective. This will involve (explaining the overall behaviour of the logistics market using a macro economic model) and (discuss how price affects supply and demand for freight logistics services using micro economic theories.)
   (learning outcome 1 - 30/100)

2. The MD also requires you to evaluate two investment appraisal methods and evaluate the difference between marginal and activity-based costing.
   (learning outcome 2 - 20/100)

3. Using the financial data provided in the appendix below, prepare the following from the cost perspective:
   a. Direct material used for previous year.
   b. Total prime cost.
   c. Cost of goods manufactured statement for previous year.
   d. Unit product cost.
   e. Cost of goods sold statements for previous year.
   f. Income statements for previous year. Show the percentage of sales that each line item represents.

   (learning outcome 3 – 30/100)

4. The MD wants to expand the business with the help from investors and the bank. Describe financial, forecasting, budget, statistical or any mathematical tools that could be used to judge financial performance and future activity of Rav Logistics Ltd which would enable an investor to make a sound appraisal of the business.
   (learning outcome 4 & 5 – 20/100)

You have decided the best way to tackle this project is by examining government economic data and statistics available at the respective agencies' web site. Academic case studies and market research companies that assess industry sectors would be helpful in gaining an idea of the services offered by businesses involved in the transport and logistics service market sector such as express pallet, courier and parcel services and the road haulage industry as a whole.

Your report, including a referenced bibliography, for the Managing Director should be no more than **2,000 words** in length and be submitted according to the stipulated dateline found in subject outline.

Word Count to be shown and complied with and should not include referenced bibliography.

Electronic submission via Moodle only.

Paper submissions will not be accepted.

You must check your assignment for similarity in Turnitin before you submit.

File name format: **Familyname-Firstname-270ekm**

In Portable Document Format only. DO NOT use docx file format

author (year) title publisher, page.

Appendix – Financial Data

	$
Raw materials purchases	250,000
Direct labour	140,000
Depreciation on warehouse equipment	45,000
Depreciation on warehouse building	30,000
Depreciation on headquarter building	50,000
Depreciation on fleet	30,000
Factory insurance	15,000
Property taxes on warehouse	20,000
Headquarters	18,000
Utilities for warehouse	34,000
Utilities for sales offices	1,800
Administrative salaries	150,000
Indirect labour salaries	156,000
Sales office salaries	90,000
Beginning balance, Raw materials	124,000
Beginning balance, WIP	124,000
Beginning balance, Finished goods	84,000
Ending balance, Raw materials	102,000
Ending balance, WIP	130,000
Ending balance, Finished goods	82,000

Sales revenue equalled $1,200,000 and paid a sales commission of 5% of sales. Previous year, produced 100,000 units of spare parts for non-core sales.

overhead except - Direct labour, Direct materials, Direct expenses

3a) 272,000

3b) 412,000

3c) 706,000

3d) 4.40

3e) 708,000

3f) 92,200 (7.6 %)