

Unit of Competency**Functional Area: Shipping Documents and Management**

Title	Carry out freight cost calculations
Code	105215L3
Range	This unit of competency is applicable to practitioners in the import and export industry to calculate freight costs to facilitate the planning of good transport.
Level	3
Credit	3 (for reference only)
Competency	<p>Performance Requirement</p> <ol style="list-style-type: none"> 1. Possess basic knowledge in calculation <ul style="list-style-type: none"> • Describe shipping operations, e.g. freight quotation, routing, multimodal transport, shipping charges and surcharges • Master the use of basic calculation devices, e.g. calculator and spreadsheet • Possess basic skills for unit conversion: <ul style="list-style-type: none"> • Calculate freight ton • Calculate monetary unit conversion for different currencies 2. Calculate freight costs <ul style="list-style-type: none"> • Calculate transport costs in accordance with <ul style="list-style-type: none"> • Freight rate quoted by carriers • Modes of transport • Loading and unloading costs involved in multimodal transport • Port of terminal handling charges • Documentation fees • Surcharges, e.g., bunker adjustment factor, currency adjustment factor, security surcharge, IMO surcharge, heavy weight surcharge, general rate increase, port congestion surcharge, peak season surcharge • Other related costs, e.g. costs of moving goods to and from the port and good handling costs • Estimate the loading/unloading time and container usage time to calculate demurrage and detention charges 3. Find ways to save freight costs <ul style="list-style-type: none"> • Identify and evaluate effective methods to save freight costs, e.g. use multimodal transport agreement to include loading and unloading costs involved at the interchange, find the lowest rates provided by carriers, avoid the incurring of demurrage and detention, and check the minimum charge for freight • Select appropriate methods to save freight costs
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> • Capable of calculating freight costs • Capable of identifying and selecting ways to save transport costs
Remark	