

**Specification of Competency Standards for the Logistics Industry**  
**Unit of Competency**

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| 1. Title      | Formulate asset-typed equipment acquisition plans  |  |
| 2. Code       | LOCUOM511A   |  |
| 3. Range      | This unit of competency is applicable to sea freight, air freight and express operators. Practitioners should be capable to suggest effective plans for asset-typed equipment acquisition to optimize cost effectiveness and for the long-term development of the company. |  |
| 4. Level      | 5  |  |
| 5. Credit     | 9 ( for reference only )   |  |
| 6. Competency | <u>Performance Requirements</u>  |  |
|               | 6.1 Knowledge of asset-typed equipment acquisition   | <ul style="list-style-type: none"> <li>◆ Understand the logistics or transport equipment of an asset type</li> <li>◆ Master the management concept of equipment investment</li> <li>◆ Understand ways and channels of acquiring the equipment, e.g. purchase, on hire, hire-purchase, etc.</li> <li>◆ Master the calculation of equipment cost and return</li> <li>◆ Understand the calculation of data of the internal rate of return, pay back period, etc.</li> <li>◆ Understand the management and use of short- and long-term loans to make the equipment investment management cost effective</li> </ul> |
|               | 6.2 Formulate asset-typed equipment acquisition plans  | <ul style="list-style-type: none"> <li>◆ Assess short- and long-term needs of asset-typed equipment acquisition in accordance with the operation policy and business development of the company</li> <li>◆ List out asset-typed equipment acquisition needs and recommend the priority</li> </ul>  |

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|                        | <ul style="list-style-type: none"> <li>◆ List out ways and channels of acquiring the equipment</li> <li>◆ Calculate equipment costs and return</li> <li>◆ Design different acquisition plans for the equipment</li> <li>◆ Select suitable criteria for assessment of different acquisition plans</li> <li>◆ Assess the influence of different acquisition location plans on the financial arrangement of the company</li> <li>◆ Assess the short- and long-term influences of different acquisition plans on the company, customers and competitors</li> <li>◆ Compile reports to illustrate the asset-typed equipment allocation plans</li> </ul> |
| 7. Assessment Criteria | <p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> <li>(i) Capable to calculate costs and returns of different asset-typed equipment;</li> <li>(ii) Capable to design different acquisition plans for the equipment and assess the short- and long-term influences of different acquisition plans on the operation and the financial arrangement of the company as well as on the customers and competitors; and</li> <li>(iii) Capable to compile reports to illustrate the asset-typed equipment acquisition plans.</li> </ul>  |
| 8. Remarks             |  |