



Ministry of Information
Technology & Telecom
Government of Pakistan



Hands-on Exercise No. 2
DigiSkills 2.0 Batch-07
Virtual Assistant

Total Marks: 10
Due Date: 16/05/2024

Instructions:

Please read the following instructions carefully before submitting this Hands-on Exercise:

- Use MS Word to prepare exercise solution.
- You may consult tutorials and videos if the concept is not clear.
- Your submitted exercise will not be considered/counted if:
 - It is submitted after due date.
 - It is not in the required format (.doc or .docx)
 - It does not open, or file is corrupt.
 - It is copied (partial or full) from any source (websites, forums, students, etc.)

Learning Outcome:

After completing this exercise, you shall be able to:

- Calculate Lead Time on Amazon
- Learn Actual Weight vs Dimensional Weight Calculations
- Understand and apply Profit Calculation for products on Amazon.

Problem Statement

Scenario 01:

You are a business owner who decides to sell smart watches on Amazon. You source the watches from a supplier in China. The supplier requires 5 business days to process and ship the order.

Ocean freight from China to the United States typically takes 25-30 business days.

Once the shipment arrives at your warehouse, it takes 2 more business days to clear customs and process the inventory.

Task: Calculate the total lead time for your smart watches from the moment you place an order with the supplier to the point they are ready for sale on Amazon. **(2 Marks)**

Scenario 02:

Imagine you are an Amazon seller who makes adorable stuffed alpacas! You have received an order for one of your plushies, and it's time to ship it off to the excited customer.

The alpaca plushie itself is very lightweight, coming in at only 0.5 pounds.

However, you want to make sure it's well-protected during shipping, so you use a box that measures 12 inches long x 10 inches wide x 8 inches high.

Task:

- i) Calculate the dimensional weight of the shipping box using the following formula (typical for many carriers):
$$\text{Dimensional Weight} = (\text{Length} \times \text{Width} \times \text{Height}) / \text{Dimensional Weight Divisor (consider 166 for standard packages).}$$
 (2 Marks)
- ii) Since the actual weight and dimensional weight are different, determine which weight Amazon will likely use for calculating shipping costs. **(2 Marks)**

Scenario 03:

You are an Amazon seller who designs and manufactures creative phone cases. You are supposed to calculate the profit margin for your latest iPhone case design.

Here's the breakdown of your costs:

Product cost (manufacturing): \$5.00

Shipping cost from your manufacturer: \$1.00

Port clearance cost: \$1.50

VAT (Value-Added Tax): Assume a 7% of Product cost as VAT rate.

3rd party logistics (fulfillment by merchant): \$3.00

Task:

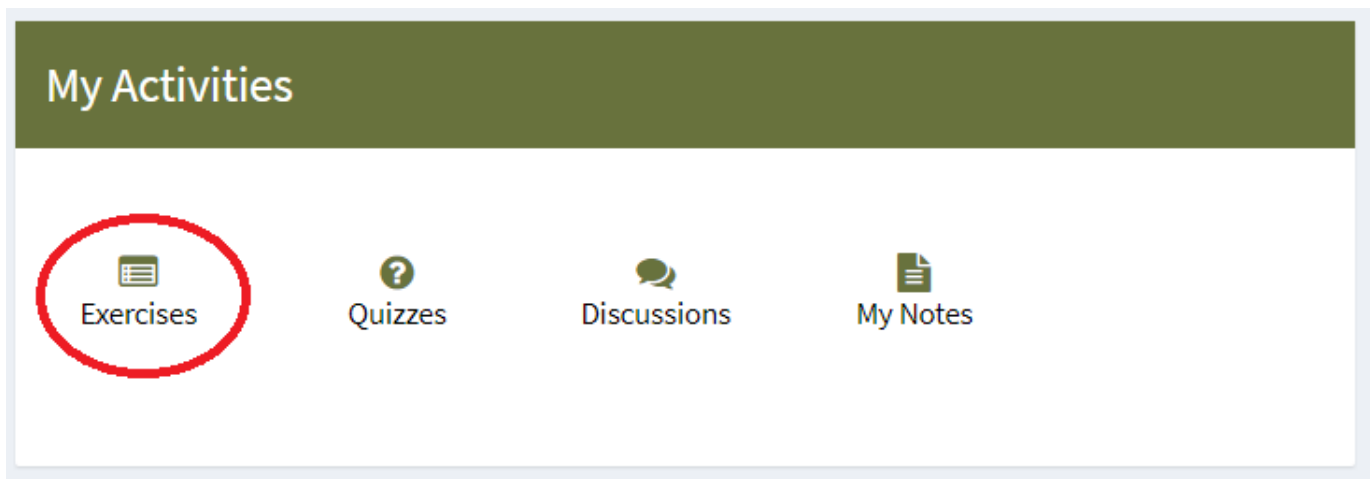
- i) Calculate the total cost of selling the iPhone case on Amazon by considering all the cost factors mentioned above. **(2 Marks)**
- ii) Determine the profit you want to make on each phone case (we recommend 30% of the cost incurred is the profit margin in this scenario). **(2 Marks)**

BEST OF LUCK ☺

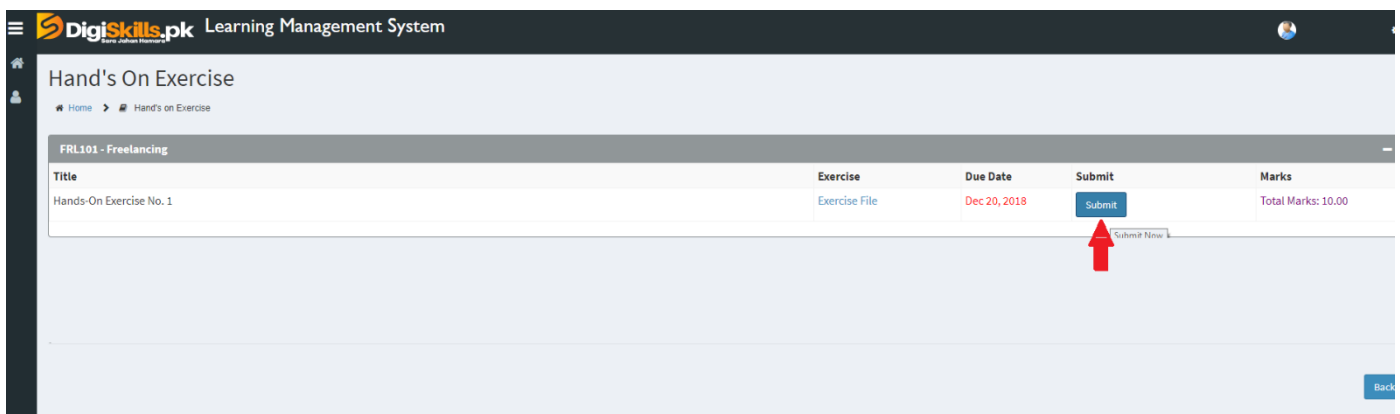
How to submit solution file on LMS?

Please perform the following steps for submitting your solution using LMS:

- 1) Login to the LMS
- 2) Click on the **Exercises** button within the **My Activities** section



- 3) Click on the submit button to upload your Solution.



- 4) Keep in mind to upload your Solution in .doc or .docx format