



INSTITUTE OF CHARTERED SHIPBROKERS

APRIL 2010 EXAMINATIONS

MONDAY 26 APRIL – MORNING

LINER TRADES

Time allowed – Three hours

Answer any **FIVE** questions – All questions carry equal marks

1. Bills of Lading continue to play an important part of international trade. Compare and contrast **all** the following types of Bills of Lading (mentioning characteristics & endorsements if applicable) and how each are used differently depending on the needs of seller & buyer;
 - (a) Straight Bills of Lading
 - (b) “To order” Bills of Lading
 - (c) Sea Waybills,
 - (d) Bearer Bills of Lading.
2. Choose **TWO** of the container routes listed below and identify the most important ports of call and main commodities carried in both directions. Draw these routes & ports on the world map provided. Describe how the services are structured, size of vessels used and how these services are connected / supported by the smaller services along its route. How do you see these main routes developing over the next five years and how Carriers are meeting the challenges during the current economic climate on these routes?
 - (a) Trans Pacific,
 - (b) North Atlantic,
 - (c) Europe/Far East
3. Explain the purpose of the I.M.O International Maritime Dangerous Code and the details found within the Dangerous Goods Shipping Note. Also clearly identify the different classes and draw **FOUR** different class diamond shaped external container labels.
4. General Average has been declared by a shipowner (container vessel) as expenses were incurred in efforts to refloat ship, such as the cost of lightening the ship. Explain the principle of General Average, which documents should the merchant / cargo interests provide to the carrier before the cargo will be released, identify and describe the purpose of these documents. Who else is expected to contribute to General Average costs apart from cargo interests?
5. A major customer has approached your company for advice on documentary credit under UCP600. In a formal letter respond to your customer on what types of letters of credit are available, what key information does a documentary credit normally contain and what documents are normally required by banks to fulfil the needs of the credit. He has also heard of fraudulent use of letters of credit. Explain briefly to your customer what these fraudulent acts may be, how he can prevent this and how the role of the International Maritime Bureau is influential in preventing maritime fraud.

6. Define and comment on any **FOUR** of the following abbreviations and in your opinion to what extent are they fulfilling their purpose.
- (a) MTO,
 - (b) ISPS
 - (c) SMS,
 - (d) IACS,
 - (e) UNCTAD,
 - (f) IMO.
7. Carriers involved in Liner Trades must ensure each route is subject to advance budgeting and subsequent comparison of the actual performance against that budget. Describe this process in detail and the various factors & costs which must be taken into consideration.
8. You are approached by a major container liner shipping company to become their “sole agency” in your country. Prepare a draft proposal with organization chart showing details of your proposed company structure and key functions / responsibilities.