



TUESDAY 15th APRIL 2014 – MORNING

LINER TRADES

Time allowed – three hours

Answer any FIVE questions – all questions carry equal marks

Please read the questions carefully before answering

1. The following routes each have growing significance in global trade.

Asia to East Coast South America
Asia to US East Coast
Asia to Australasia

Using the world map provided, describe **two** of the above trade routes showing the key ports of call. Separately describe the size of trade, size of vessels used and key commodities moving.

2. Answer **both** parts of the question:

Container vessels and Specialised Reefer vessels compete for trade in refrigerated cargo with container vessels now carrying the larger share of this growing global business.

- a) Discuss the advantages and disadvantages of each mode of transport using some key trade routes as examples.
- b) Give an overview of the likely developments in this trade sector over the next 10 years.

3. Answer **both** parts of the question:

- a) Explain the background and basic requirements of the IMDG code and the importance of the different classes.
- b) List each of the classes and comment specifically on two of these classes in respect of the importance of segregation. You may use diamond diagrams to illustrate your answer.

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4. Explain how Consortia, Vessel Schedule Agreements and Alliances each operate and the specific differences between them. Outline how you predict each of these liner structures will develop in coming years.

5. Answer **both** parts of the question:

a) Containers are either owned or leased equipment. Explain the advantages and disadvantages of both for the carrier and the types of leasing agreement that are available.

b) Describe the key features of **all** of the following equipment and the cargo carried:

i) Tank containers

ii) Open Top containers

iii) High Cube containers

iv) Half Height 20ft containers.

6. Answer **both** parts of the question:

Transshipment and Relay Hubs are a growing aspect of container shipping.

a) Describe the key reasons why they are important.

b) Using the world map provided, show **three** transshipment hub ports and how they fit into global trading patterns.

7. Answer **all** parts of the question:

Describe the importance of UCP600 detailing the various milestones and practitioners involved in the Letter of Credit (L/C) process. Separately comment on all of the below in the area of L/C:

a) Common fraudulent acts in this area and how they can be prevented

b) Use of Seawaybills

c) Pre-dating Bills of Lading

d) Split consignments in the event of short shipments.

8. Answer **all** parts of the question:

Incoterms 2010 are an important part of the transaction process for sellers and buyers. A large retailer receiving goods on DAP terms has pressed the seller into continuing the use of this Incoterm yet insisting they will negotiate sea freight contract terms with the carrier.

a) Highlight the legal aspects of this contract from the seller's perspective and from the carrier's perspective

b) Suggest more suitable Incoterms that could be used for this type of contract and why.