



INSTITUTE OF CHARTERED SHIPBROKERS

APRIL 2011 EXAMINATIONS

TUESDAY 12 APRIL – AFTERNOON

SHIP OPERATIONS & MANAGEMENT

Time allowed – Three hours

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

1. Ship Owners and Managers continue to report a shortage of well trained and experienced Officers and ratings in all sectors of the shipping industry. Explain how this shortage has come about and how it could be overcome.
2. Your company is purchasing two second-hand 3,500 TEU container vessels and is considering registering them in a 'Flag of Convenience registry'.
 - (a) What are the advantages and disadvantages to a Ship Owner of a 'Flag of Convenience registry'?

and

 - (b) Discuss the certificates that these vessels will require before they are allowed to trade on the international market.
3. Name a ship management contract commonly used in the industry and describe any **FIVE** key functions/responsibilities of ship management that are contained in the document.
4. Describe the characteristics (dimensions, tonnages, cargo gear etc) of **ONE** of the following types of vessels:
 - Bulk Carrier
 - Oil Tanker

Identify the specific type of bulk carrier or oil tanker that you are describing and illustrate your answer with longitudinal and cross sectional drawings. Show dimensions, tonnages and any other relevant details.

Using the world map provided to illustrate your answer, give details of **ONE** trade route for which your chosen vessel is suitable and explain why.

5. The International Ship and Port Facilities Security Code (ISPS) became mandatory in 2004.

Comment on the success, if any, this code has made in improving security on board ships at sea and in port.

Explain what the requirements are that a vessel must demonstrate in order to achieve compliance.

6. Using the information below, calculate whether it is beneficial for you as the Ship Operator to fix the cargo on the basis of a Voyage Charter or Time Charter Trip.

The vessel:

MV *Iron Trader*, Liberian Flag currently discharging at Bin Qasim (Pakistan).

Bunkers ROB on completion cargo at Bin Qasim 750MT IFO 380 CST at \$470pmt.

Summer DWT 75182 MT at 14.12 metres

Cubic grain 90675 CuM, 7 HO/HA

LOA 225m

Constants including FW 750MT

Loaded Speed/cons 14kts on 28MT IFO 380CST

Ballast Speed/cons 13kts on 24MT IFO 380CST

Port Cons 3MT IFO 380 CST pd (single fuel ship)

Daily Running Costs \$12,000/day

The cargo:

70,000MT Iron Ore (SF 0.55) 10% MOLOO from Goa (India) to Chiba (Japan)

No draft restrictions at load port

Draft restriction of 14.50 M at discharge ports

10000 SHEX load/8,000 SHINC discharge

Freight \$17 pmt comm 5% FIOS

Time Charter rate for this business: \$19,500/Day less 5% comm

Distances:

Bin Qasim to Goa – 705 nm

Goa to Singapore – 2747 nm

Singapore to Chiba – 2882 nm

Bunker prices:

Singapore 380 CST at \$432

Calling costs \$9,000

Port charges:

Load port \$25,000

Discharge port \$35,000

Assumptions:

Use of IFO 380 is permitted by local regulations

BROB at Chiba to be the same as on completion of cargo at Bin Qasim

Bunkers at Singapore: 1 day

Summer Zone throughout

7. MV *Fatefall* is entering a busy port to discharge a cargo of iron ore fines. A pilot is on the bridge and tugs are in attendance. The vessel alters course to avoid an outbound vessel and goes aground, partially blocking the main channel. The tide is falling and tugs are unable to release the vessel. Managers have full technical and commercial management of the vessel.

(a) What immediate action needs to be taken by the Managers to ensure the safety of ship, crew and cargo, protect the environment and protect the Owners' interests?

(b) What insurances could the vessel have in place to cover this incident?

8. (a) Explain the differences between:
fixed/capital costs, voyage costs and operating/daily running costs.

and

(b) Prepare an annual budget estimate for one of your ships. Explain what factors you will take into account.

