



THURSDAY 19TH APRIL 2012 – MORNING

LINER TRADES

Time allowed – three hours

Answer any FIVE questions – all questions carry equal marks

Please read the questions carefully before answering

1. Analyse why carriers would choose to either own or lease containers. Explain the different types of lease available to carriers and describe the advantages/disadvantages of each.
2. Define any **three** of the following abbreviations. Explain their role and importance within the liner industry:
 - a) P&I
 - b) IMO
 - c) ISPS Code
 - d) ISM Code
 - e) IMDG Class 8
3. You are the commercial manager for a container shipping company entering a new market. You need to construct a freight tariff for that specific trade on a FAK and / or box rate. Describe and explain the pricing strategy you would use. For your strategy, what factors need to be taken into consideration?
4. A ship has suffered a fire in the cargo hold. Water was poured into the hold to extinguish the fire and prevent it spreading through the ship and cargo. The ship lost power and was grounded. Some containers were damaged by the fire, some by the water used to extinguish the fire, some fell from the ship during the grounding and the remaining containers are undamaged.

Explain the compensation principle that will apply in this situation and what actions need to be taken by the owner and the consignees of the various containers. Who else must contribute other than the parties with direct interest in the cargo?

PLEASE TURN OVER

5. Choose **any** five of the following **Incoterms 2010** and explain fully their importance to the liner industry:

- a) EXW
- b) FCA
- c) CPT
- d) CIP
- e) DAT
- f) DAP
- g) DDP
- h) FAS
- i) FOB
- j) CFR
- k) CIF

6. Explain the functions of a Bill of Lading and explain how these are applied to the different types namely 'Straight', 'To Order' and 'Bearer'. How does a Sea Waybill differ from a Bill of Lading?

7. You operate liner vessels from Singapore. You have the choice to trade to Europe or to the USA. Describe in detail these two routes including ports, size and type of vessel and seasonal effects (including weather routing and trade demand).

Detail how these two routes have been affected by the global recession. Propose why you think one route will be a better commercial proposition than the other over the next five years.

Use the world map provided to illustrate your answer.

8. Describe the types of vessels supporting the liner trade and explain their roles. Explain the role of ports and other land-based infrastructure to the liner trade.