



WEDNESDAY 16TH NOVEMBER 2016 – MORNING

LEGAL PRINCIPLES IN SHIPPING BUSINESS

Time allowed – three hours

Answer any FIVE questions – all questions carry equal marks

Please read the questions carefully before answering

1. A cargo of wheat is transported from the UK under a bill of lading incorporating the Hague-Visby Rules. Other similar cargoes were also loaded on the same vessel. On arriving at the port of discharge, an infestation was discovered. Following unsuccessful fumigation, all the cargo had to be destroyed. The vessel then had to undergo fumigation that caused a one month delay. The carriers claimed damages against the shippers for the loss caused by the delay and the fumigation expenses.
Advise the carriers.

2. Explain what is an *in rem* action and its purpose.

3. Answer **BOTH** parts of the question.
Explain and discuss the legal and practical implications of:
 - a) contributory negligence; and
 - b) vicarious liability.
Use examples to support your answer.

4. The doctrine of frustration is often confused with the concept of *force majeure*.
Discuss this statement.

PLEASE TURN OVER

5. Describe and discuss the international conventions and USA legislation dealing with oil pollution.

6. Discuss the various ways in which a person describing themselves as an agent may be held personally liable for a contract into which they have entered.

7. Answer **BOTH** parts of the question.
 - a) A bill of lading is evidence of the contract of carriage of goods. Discuss any circumstances when a bill of lading may be/become the actual contract of carriage.
 - b) A bill of lading is evidence of receipt of the cargo by the carrier. Discuss that significance of this function under the Hague-Visby Rules.

8. Answer **BOTH** parts of the question.

Under a voyage 'port' charter party, a ship arrives at the port of loading and is directed by port authorities to wait at an anchorage. The ship's master sends a Notice of Readiness that states the ship will be ready to load within the next 24 hours. A few hours later a berth becomes available and the ship is directed to dock. Loading operations start and the ship is loaded within a day.

 - a) Analyse the issues relating to when the ship was considered to be an arrived ship.
 - b) Consider at what point the laytime clock started.