



MONDAY 19<sup>TH</sup> NOVEMBER - AFTERNOON

# ECONOMICS OF SEA TRANSPORT AND INTERNATIONAL TRADE

Time allowed – three hours

Answer any FIVE questions – all questions carry equal marks

Please read the questions carefully before answering

1. Explain the relationship between long-run costs and output in ship management. Use a graph to support your answer.
2. What are the advantages and disadvantages of public ownership of ports? What economic and political factors can influence this?
3. Explain import tariffs and voluntary export restraints and how they may be used to restrict trade. Use current examples to support your answer.
4. Critically analyse the major factors that influence the determination of foreign currency rates between countries. Use current examples to support your answer.
5. Explain why bulk shipping demand is price inelastic. Use a graph to support your answer.
6. Using a country of your choice, analyse the pivotal role that deep sea trades have in its economic growth and prosperity.
7. Discuss why freight rates can differ by the direction of freight transportation.
8. Answer **BOTH** parts of the question:
  - (a) Describe **FOUR** examples of typical dry bulk cargoes.
  - (b) Comment on the main factors underpinning the growth or decline of **ONE** of these cargoes over the last few years.