



MONDAY 2ND NOVEMBER 2015 – MORNING

LINER TRADES

Time allowed – three hours

Answer any FIVE questions – all questions carry equal marks

Please read the questions carefully before answering

1. Answer **BOTH** parts of the question
 - a) Outline the main differences between a bill of lading and a sea way bill and explain the advantages and disadvantages of both.
 - b) Define what a switch bill of lading is and when and why is it used. Outline the key processes involved in its use.

2. Define and comment on any **FOUR** of the following abbreviations and their role within the liner industry
 - i) NVOCC
 - ii) P&I
 - iii) ITF
 - iv) ISM Code
 - v) BIMCO
 - vi) UNCTAD

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

Incoterms 2010 is an essential shipment term in international sale contracts with FOB and CIF being amongst the most popular.

 - a) Explain and contrast these two terms with regard to a FCL container shipment from both a seller's and buyer's point of view.
 - b) Explain **TWO** terms from the list below:
 - i) DDP
 - ii) CPT
 - iii) DAP
 - iv) EXW

PLEASE TURN OVER

4. Draw a profile and cross-section of **ONE** of the following types of vessel and highlight within the drawing the main features of the vessel. Using the world map provided describe **TWO** trade routes where the chosen vessel would operate and the main types of cargo carried.

- i) 2000-3000 teu container ship
- ii) Conbulker
- iii) 4000-5099 teu container ship

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

Container vessel owners have to ensure that revenue raised is greater than the operating costs incurred.

- a) Explain in detail what these vessel operating costs are and the revenue sources which should cover these costs.
- b) Discuss how costs can be reduced in situations where revenue does not cover costs.

6. A key discharge and load port in a liner trade network is suffering from draught restrictions due to poor maintenance and this would result in carriers having to significantly cut cargo volumes, seriously impacting the profitability of the trade. Discuss possible solutions available to carriers to deal with this problem.

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

Container Equipment Management remains a key area in liner shipping and notably one where strong focus on cost management is important.

- a) Explain in detail how carriers can manage their equipment costs through various means of fleet optimisation at every level.
- b) Explain the importance of interchange and the grey box concept and give **TWO** examples where this could be employed structurally.

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

Marine insurance is an important part of liner shipping and notably when claims and liabilities arise, which if not handled correctly can be costly.

- a) Contrast the role and cover provided by Hull and Machinery insurers, Cargo Insurers and P&I Clubs.
- b) Explain the difference between an actual insurance claim and a 'commercial' claim and why the latter might arise on a specific cargo claim.