



WEDNESDAY 4TH NOVEMBER 2015 – MORNING

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. Taking any major port, discuss the factors that have been instrumental in its development and evolution in recent years.
2. Discuss the factors that influence the supply of tonnage in both the short and long term.
3. Within the dry bulk market, describe **ALL** of the following:
 - a) The major bulk cargoes.
 - b) The main importers and exporters for these cargoes.
 - c) The factors affecting the current market.
4. Using diagrams, show how maritime economists assess the condition of the shipping market with reference to the responsiveness of shipping tonnage to freight rate movements.
5. 'Perfect competition is defined by a set of assumptions; these appear to be present in the tramp market'. Identify and explain these assumptions.
6. Using a diagram to support your answer, examine the effect of a tariff on an imported product or commodity.
7. What actions should a country take if suffering from a persistent balance of payment deficit?
8. Answer **BOTH** parts of the question:
Exchange rates between countries adjust continuously, explain:
 - a) How these adjustments occur.
 - b) Their impact on the shipping industry.