

Examiner's Report NOVEMBER 2015 Port Agency

General comment

Overall Comments Guidelines

The overall standard for the Port Agency examination in November 2015 was high. Students displayed a wide knowledge of the synopsis and could also bring in working examples into their answers. Students had a 'mixed bag' of answers on laytime but were much more comfortable with ships certificates. The use of the global map is an area that requires improvement.

Overall Comments

The questions were chosen from a wide range of subjects within the syllabus including laytime, operational questions, disbursements, marketing, vessel types.

Question 1

Laytime

A number of students gained full marks for this question with carefully constructed laytime statements and the correct financial calculation, for this they gained the full twenty marks.

However a number of students were unable to construct any form of laytime statement and appeared to have hazarded a guess at the answer.

Some students also furnished the answer with working examples from ports of their choice.

Question 2

Operational question Non Pre funded port call

Many students only answered a relatively small part of the question. This was a three part question which needed to address:- Charterers nominated agent and the potential conflict of interest, financial control, operational vessel scheduling.

Question 3

Marketing

Generally this question was competently handled. Students were required to promote their ships agency business, this was done modestly at best, and highlighted that many students struggle to promote the intangible services of port agency. The stevedoring and added value services were generally handled well, with students able to give a number of good added value examples, such as haulage, storage and customs clearance.

Question 4

This was generally well handled with some excellent descriptions and examples given by the students. Institute warranty limits was the abbreviation that students were least comfortable with. FONASBA, BIMCO, FIO and FOB were comfortably handled. Explained below:

(a) Fonasba

The Federation of National association of ship brokers and agents, provide a voice for ship brokers and agents, and tries to promote a high level of professional standing through a quality standard, and ethos of fair practice and developing professional standards through education

- (b) BIMCO
The Baltic and Maritime Council

This organisation promotes and facilitates commercial operations between shipowners and charterers by the development and utilisation of standard contracts and clauses, information and advisory services and the promotion of overall fair practice

- (c) IWL
Institute warranty limits, is a set of clauses that regulates where the ship may trade under certain limitations applied by insurers, traditionally this would be related to seasonal weather conditions, and the student really is expected to develop an example. This would probably be ice conditions. The student should also note that Hull underwriters may allow the vessel to trade outside certain limited areas subject to the time of the season and with added premiums

- (d) FIO
A chartering term indicating that the vessel has been fixed FIO (Free in and out basis) which means that loading and discharge costs are for the charterers and not the owners account.

- (e) FOB
Free on board is a common incoterm, stipulating the contractual position of the buyer and seller in the commercial interaction.

Question 5

Ships Certificates.

The majority of students chose to tackle this question and gave in depth answers with significant numbers of examples. This was very well handled by the students.

Please see following:

The major certificates that the agent would expect to see would be 8 major certificates

- Certificate of registry
- International tonnage certificate
- Loadline certificate
- Safety radio certificate
- Safety equipment certificate
- Safety construction certificate
- Safety management certificate
- Oil pollution certificate
- Additional minor certificates may include
- Light dues, fairway dues, cargo books, grain carrying booklet, cargo record certificates, dangerous goods certificates

Question 6

Vessel Descriptions

Students were comfortable with this question, and generally drew reasonable profiles and cross sections. Where students failed to gain additional marks was their lack of supplying information on tonnages, and occasionally ignoring the request to use the world maps to highlight appropriate trading routes. That aspect of the question was particularly disappointing as similar errors were noted in the April exam.

Question 7

Operational question – Bill of lading

Many of the students digressed into discussing the three main properties of the bill of lading, although that had a value of sorts it was not the main thrust of the question, and in many cases the students failed to be proactive in providing any real solutions.

The higher scoring answers mentioned (with certain qualifications) the use of a letter of indemnity, cargo liens and the involvement of the P&I club in some instances to give correct legal advice to the port agent.

Question 8

Disbursements

Students were comfortable with this question, and generally could successfully define the difference between owners and time charterers costs, some students could however have more clearly defined which accounts were owners and which were charterers. However many students lost marks by ignoring the question on cargo costs.