



WEDNESDAY 20th APRIL 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. Discuss why parties to a charter party would agree to resolve their disputes by arbitration.
2. What are the common law remedies for a breach of contract, and how are such remedies determined?
3. Answer **BOTH** parts of the question.

Fourteen months ago, a shipper in London, UK loaded the following cargo on board a particular vessel:

- 20 containers, having agreed with the carrier/shipowner to be carried on deck;
- 20 pallets of flammable painting materials.

The goods were shipped in apparent good order and condition. However, due to bad maintenance of the ship's fuel line, a fire broke out on board the vessel and it was lost with all cargo on board.

- a) Identify and briefly discuss the legal issues that arise from the above situation;
 - b) Would your answers be different if the UK had ratified the Hamburg Rules 1978?
4. Discuss the shipowner's/carrier's duty to provide a seaworthy ship under common law and under the Hague-Visby Rules.

PLEASE TURN OVER

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

Using appropriate examples to support your answers, explain the following:

- i) deadfreight;
- ii) lumpsum freight;
- iii) ship 'lost or not lost';
- iv) freight prepaid bill of lading.

6. Discuss the consequences of 'illegitimate last voyage' in time charter parties.

7. It has been stated by courts that the Contract (Rights of Third Parties) Act 1999 'had dealt a long overdue body blow to the doctrine of privity of contract'.

Explain this statement and discuss how it affects shipbrokers.

8. Explain the term 'once on demurrage always on demurrage' when compared to laytime.