

General comment

In general terms, the majority of students attempting the 2016 April examination were well prepared and produced well informed answers.

A recurring problem is that students still continue to misunderstand that some questions are drafted in two parts and, as a result, tended to concentrate on the first part, with the second part either not attempted at all or regarded as an afterthought when, in reality, both parts are allocated equal marks.

Question 1

Show the main exporting regions and explain the four major hazards in transporting coal.

Use the world map provided to support your answer.

This two-part question covered the loading areas for coal and also four major hazards in transporting this commodity.

Many students failed to identify the key loading regions in their answers, such as Poland and Russia and many answers had poor map annotation.

Some students focussed on weather as a major hazard and did not include the dangers of gas explosion, spontaneous combustion, cargo shifting and corrosion caused by the high sulphur content of coal.

Marks were also given for the inclusion of carriage requirements including the correct use of ventilation and the use of self-trimming ships.

Question 2

Answer BOTH parts of the question.

a) Analyse the main differences between the tanker and dry cargo market.

b) Describe the sub-divisions which exist within the tanker market.

Drafted in two parts this question required an analysis of the main differences between the tanker and dry cargo markets and required a description of the sub-divisions within the tanker market.

Overall, this question was mainly answered with the first part and some answers failing to include the second part.

Those students who did answer both parts were able to identify the sub-divisions and some were able to provide details of LNG carriers, LPG carriers along with wine and juice tankers.

Question 3

During a typical port call, the agent has to deal with various forms of shipping documentation.

Explain the use of FOUR of the following documents:

- i) Standard Shipping Note;**
- ii) Mate's Receipt;**
- iii) Delivery Order;**
- iv) Cargo Manifest;**
- v) Statement of Facts**

This was a very popular question and was attempted by the majority of students.

It was noted that a few answers were very brief in nature and provided only basic information without real detail or elaboration.

Some students only included analysis of three documents thus losing marks.

Question 4

Describe the role and structure of the ITF and explain the ways in which it achieves its objectives.

Overall, this question produced several good answers with most students able to provide an understanding of the ITF.

A few students who attempted this question did not include the organisation's structure and hierarchy and some answers incorrectly stated it only represents seafarers.

Question 5

Explain the different payment methods available to those involved in international trade and discuss the risks involved to the buyer and seller transacting under each method.

This was a popular question which produced some good answers with many students being able to demonstrate a good knowledge of the subject matter.

Some answers failed to support their description of the documentary letter of credit with a diagram showing the stages of the process and, whilst a few mentioned supporting documents, then did not state which documents they referred to.

Question 6

Discuss the main functions of the bill of lading and explain the concept of a 'clean' bill of lading and its importance to both the buyer and seller in international trade.

This question required that students to demonstrate their knowledge on Bills of Lading and many well prepared answers were produced.

Some answers failed to identify the link between a clean B/L and the requirements of a Letter of Credit, although better answers provided details of the liability of the carrier under The Hague Visby Rules.

Only a few answers mentioned the Rotterdam Rules and the implications if they are ratified and adopted.

Question 7

Explain the methods which can be adopted by international shipping organisations to identify and eradicate bribery.

This question was answered by a few students and the majority could not distinguish between bribery and fraud. A few students were able to identify methods such as education and training, internal anti-bribery policies, risk assessments, due diligence, reviews and audits, but some failed to mention exceptions that are needed in genuine facilitation payments and payments made under duress.

Question 8

Explain the role of Port State Control (PSC) and discuss the port agent's role in PSC inspections.

This question was only attempted by a few students.

Most students who attempted this question failed show their understanding of the agent's primary role as one of liaison and facilitator and some could not explain in a clear way the general activities and purpose of Port State Control.