



THURSDAY 16<sup>th</sup> NOVEMBER – AFTERNOON

## 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. A shipbroker, receives from a shipowner instructions in relation to fixing a ship for 50,000 tonnes of grain as soon as reasonably possible, at \$100 dollars per tonne. Having confirmed and accepted shipowner's instructions, the shipbroker observes the relevant markets and finds a more favourable fix than the \$100 dollars per tonne. The shipbroker therefore fixes at \$150 dollars per tonne, having thereby made the shipowner (principal) a considerable profit. When the shipbroker communicates the fixture to shipowner, explaining that he acted in shipowner's best interest, shipowner complains for not fixing at \$100 dollars per tonne and explains that shipowner needed to show a lower profit in the shipping company's accounting books.

Advise the shipbroker. Use relevant case law to support your answer.

2. Discuss why parties to a charter-party would agree to resolve their disputes by arbitration. What alternatives could be considered?

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

- a) Can a charterer deduct from freight payment by way of equitable set-off?
- b) Discuss the use of the anti-technicality clause in time charter-parties.

4. Outline and explain the main differences between any **TWO** of the current International conventions applicable to the carriage of goods by sea.

**PLEASE TURN OVER**

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

- a) What is the difference in a voyage charter-party between a berth/dock charter and a port charter? Explain which of the two is more beneficial to (i) the owner, and (ii) the charterer.
- b) Explain and discuss the difference that the 'Reid test' made in relation to 'arrived ship'.

6. Discuss the meaning of vicarious liability. What is its relationship with the Himalaya clause?

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

The English legal system uses many Latin-based expressions. Define and explain:

- a) *ejusdem generis*
- b) *obiter dictum*

Give examples on when they will be used.

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

Explain general average in relation to the following:

- a) The danger must not have arisen through the party/interest claiming contribution.
- b) The Amended Jason Clause should be inserted to bills of lading for voyages to and from the United States of America.