



EXAMINER'S REPORT

NOVEMBER 2017

INTRODUCTION TO SHIPPING

General Comments

Questions set for the November 2017 examinations provided students with the appropriate level of difficulty, rigour and covered a variety of areas. The syllabus was adequately reflected in the questions giving the students the opportunity to demonstrate their extensive knowledge on Introduction to Shipping. Most students made a fair attempt at each question. There was a clear improvement in exam technique and time management in this exam sitting. Time management plays a key role in able to maximise points scored in an exam. There still remain the other age-old problems of students not carefully reading questions and just attempting to write everything they know about an area without focusing on what the question requires. This is still a problem which should be avoided

Q1. Discuss the relationships and the duties of a shipping agent to his principal, using examples to support your answer.

This question required students to identify the role of a shipping agent in relation to their principal and how a relationship is brought about. Some students did well in doing this while other spent too much time talking about all legal aspects of agency law which were not required. You would have had to also identify the key responsibilities to be discharged prior to the ship's arrival, approaching the port/harbour, upon arrival, loading & reloading, after departure, payment of port dues. Many students were able to discuss some basic responsibilities but few covered after departure.

Q2. What measures are taken by the IMO to facilitate safety at sea?

Students were required in this question to discuss the founding of the IMO and one of the main aims and objectives is to emphasise safety at sea. This can be considered as a straightforward IMO question. However, this was a classic case of students not reading the question carefully. A great many students went on to discuss environmental conventions and not focus on SOLAS, Colreg and ISM safety conventions for example. The students who achieved top grades were able to write a focused response.

Q3. Compare and contrast the main differences between voyage and time charter parties, focusing on the division of costs and responsibilities between the parties involved.

This question was another good question aimed at testing the student's understanding of different types of Charterparties. Most students were able to focus on the owner's responsible for all the cost

including crew, maintenance, bunkers and port charges for voyage charters but some erred when they discussed the time charterparty side. Top students were able to identify also that the owner bears all the cost of delays thus he includes a laytime and demurrage clause. Some students did well in creating a simple table then discuss the points. This area is key to understanding contracts of carriage and thus very important in other later papers.

Q4. Discuss the main role of classification societies in ensuring that ships are safe. Identify FIVE classification societies.

Most students were able to list the five classification societies but were not able to adequately discuss the main role of the Class society. The most popular and well discussed was classification surveys. But many students did not cover the design role, attendance at the construction phase in the shipyards or sea trials and other trials.

Q5. Define absolute advantage and, using a commodity of your choice, explain comparative advantage.

This is an important area that students were able to do well in. Top students were able to define absolute advantage and discuss the production frontier appropriately. Many were able to discuss comparative advantage theory normally favours specialised production in a country based on intensive utilisation of those factors of production in which the country is relatively well endowed. The point at which students stumbled was when it came to using an example to further explain. Many students did not use of an example altogether which meant easy marks were lost. It is useful to have an idea of example way in advance so that if asked in the exams you can be able to give one. Many students did, however, use iron ore and bananas which was acceptable.

Q6. A bill of lading can be used as a negotiable document. Discuss the benefits of this, and explain why buyers and sellers may alternatively prefer to use a seaway bill.

B/L covers a core area that will frequently pop up in other papers. Many students either did not read the question clearly or just decided to write everything they knew about B/L's including all the functions. This question only required you to cover the title function and its importance in reselling of cargo and security of payment. Students failed to discuss that the Seaway Bill is non-negotiable and individuals only need to identify themselves but also the Seaway B/L benefited from the fact that it may be transmitted electronically making it useful for some parties.

Q7. Identify and discuss the reasons a shipowner may wish to operate a geared type of vessel and the trades it can serve including the type of ports it could visit.

This question was intended to test students' understanding of a variety of uses of ships in different trades. Some students provided a basic discussion but top students were able to cover points such as a geared ship can call to smaller ports that can receive her vis-a-vis size also giving it flexible to trade in countries with lesser developed ports. Some student drew a cross section which was not necessary. The better students did, however, identify some commodities that would be traded in these routes between the said ports.

Q8. Answer BOTH parts of the question.

- a) Identify FOUR main types of crude oil carriers and their deadweight capacity.**
- b) Using a world map to support your answer show the trade routes, identifying FOUR crude oil load ports and FOUR discharge ports.**

This question was intended for students to focus on drawing the trade routes and identifying any four crude oil load ports in the Middle East, West Africa, north-east Europe, North Sea, North Africa and discharge ports in the US Gulf, Europe, Far East and south-east Asia. Some students did well in listing the ports but struggled afterward incorrectly placing them on the map and drawing the trade route. It is not enough to just memorise load and discharge ports, you should also be able to pinpoint them on a map. Some students made an elementary error when it came to types of crude oil carriers by confusing them with dry bulk carriers this of course meant that low marks were scored by some.