



WEDNESDAY 15th MAY - AFTERNOON

SHIPPING BUSINESS

Time allowed – three hours

Answer any FIVE questions – all questions carry equal marks

Please read the questions carefully before answering

1. You have just purchased 20 metric tons of Chinese engine parts to be sent by one TEU for delivery in Birmingham.
 - a) Discuss appropriate finance terms to be agreed with your seller and;
 - b) choose an appropriate Incoterm to be used for this purchase contract.

2. A seller of goods may prefer to ship CIF whilst a buyer may prefer to buy FOB. Explain both of these terms, the reasons for this statement and what the advantages and disadvantages are to each party.

3. A liner ship's agent not only has to deal with the ship's port call, but has other liner agency specific functions to undertake. Discuss these functions.

4. Answer **BOTH** parts of the question.
 - a) The buying and selling of a ship requires both parties to reach agreement on a wide range of matters, which are covered in the MOA. Give an example of a commonly used MOA and explain five clauses that will be covered.

 - b) A large number of documents must also be exchanged, identify five of these and their functions.

PLEASE TURN OVER

5. The tanker chartering market can be classified into four distinct sectors. Identify the four sectors, and describe the types of vessels used in each sector and the typical trade routes.

6. The possibility to commit fraud with a bill of lading at both the load port and the discharge port is high.

What precautions would you take with a bill of lading at a) load port and b) discharge port to minimise this risk?

7. There has been a steady decline in the amount of cargo shipped on multipurpose vessels. Discuss the types of multipurpose vessels used, their specialised features, the types of cargo these ships are used for and the packaging options available to ensure quick loading and safe handling.

8. A client is seeking your advice as to what is the best option when opening a new company. Write a report to the client highlighting the advantages and disadvantages of a sole trader and a private limited company.