



MONDAY 25th NOVEMBER 2019 – 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. There are exceptions to 'once on demurrage, always on demurrage'. Explain these exceptions, use examples to support your answer.

2. A vessel is time chartered and arrives to a British port to load. On completion of loading the vessel's Master signs the bills of lading, but insists on clausing the bill of lading of a particular cargo with remarks about damage to its packaging. The bills of lading have a demise clause on the back but the charterer's logo appears on the front. When the vessel arrives to the next discharging port it is found that some of the cargo has been damaged by seawater.

Identify and discuss the legal issues arising from this scenario.

3. Under what circumstances can a vessel be declared off-hire during a time charter? Use examples to support your answer.

4. A shipbroker has been fixing exclusively a principal's tankers over the last five years. The tanker owner recently ceased to engage with this broker.

How should the principal minimise their exposure to any possible apparent authority the broker may possess through his previous course of dealing with charterers?

PLEASE TURN OVER

5. Answer **BOTH** parts of the question.
Explain, using examples to support your answers, and discuss the legal and practical implications of
- a) contributory negligence
 - b) vicarious liability.
6. A ship laden with cargoes is grounded due to the negligent navigation of its crew. The Hague-Visby Rules apply to the carriage of the goods onboard the ship. The Master, in order to get the ship off the rocks, jettisons some of the cargo. At the same time the ship's engines are used excessively resulting to some damage to ship's engines. Eventually, the ship is freed and using her own power enters a nearby port. The ship's Master declares a general average.
- On the above facts, discuss whether there is a general average act, and how the ship's damage caused by (a) the grounding, (b) excessive use of her engines, and (c) loss of jettisoned cargo, may be recoverable.
7. What are the common law remedies for a breach of contract, and how are such remedies determined?
8. Using appropriate case law discuss whether, in the absence of a valid Notice of Readiness, laytime cannot start and shipowners could not therefore be in a position to earn any demurrage.