



NOVEMBER 2020 EXAMINATION SESSION

THURSDAY 5TH NOVEMBER 2020 – MORNING

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. Under a carriage of goods contract subject to English law, and evidenced by a bill of lading, a carrier/shipowner agrees to carry a shipper's cargo, which consists of two pallets. The contract of carriage and the bill of lading incorporate the Hamburg Rules. The contract of carriage further states that the carrier:
 - a) is not liable for loss/damage arising from delay, and
 - b) may bring an action against the shipper within six years, and
 - c) can limit his liability for loss/damage arising from unreasonable deviation to the amount of the freight charges.

Discuss and analyse the issues that arise from the above carriage provisions in the given scenario.

Would it make any difference if the contract of carriage and bills of lading incorporated the Hague-Visby Rules instead?

2. Answer **BOTH** parts of the question.
 - a) A bill of lading is said to be evidence of the contract of carriage of goods. Analyse whether there are any circumstances when a bill of lading may be/become the actual contract of carriage.
 - b) Explain the term "once on demurrage always on demurrage" as compared to laytime.

PLEASE TURN OVER

3. A charter-party would usually contain a warranty on the part of the charterer that the vessel will only be traded between safe ports.

Explain how such warranty operates in practice, and discuss any practical difficulties that arise from the application of such warranty.

4. Does the doctrine of vicarious liability transfer liability from the tortfeasor? Discuss and use your own examples in answering the above.
5. Answer **BOTH** parts of the question.

Just over a year ago, a shipper shipped the following cargoes on board a vessel:

- i. 20 donkeys
- ii. 20 containers, having agreed with the carrier/shipowner to be carried on deck
- iii. 20 pallets of flammable painting materials

The goods were shipped on the vessel in the U.K., in apparent good order and condition. However, due to bad ship's maintenance a fire broke out and the ship was lost with all the cargo on board.

- a) Identify and briefly discuss the legal issues that arise from the facts of the above scenario.
 - b) Explain how your answer would be different in any way if the U.K. had ratified the Hamburg Rules 1978?
6. Answer **BOTH** parts of the question.
 - a) In the English law of contract, the "postal rule" may be considered to be the exception to the general rule that acceptance must be communicated to the offeror. Explain and discuss the law in this area, giving examples on how the effect of the postal rule may be avoided.
 - b) It is frequently said that equitable estoppel "is a shield rather than a spear". Explain, giving examples as appropriate, how this legal doctrine may in practice apply to the law of contract.

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

- a) Outline and briefly explain the requirements that need to be fulfilled for a claim of general average contribution to be established.
- b) Briefly outline the civil court structure in England.

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

- a) Discuss giving appropriate examples the principle of ratification in the law of agency.
- b) The Master of a ship may be generally considered to be an agent of the shipowner. Explain and discuss the circumstances under which the Master may become an agent of the cargo owners.