



INTRODUCTION TO SHIPPING

3rd August 2023

Question 1:

Answer **BOTH** parts of the question.

- a) Explain the **THREE** main functions of the Bill of lading
- b) Discuss **THREE** examples of a fraudulent Bill of lading

What was being looked for by the examiner.

This was a very popular question with most candidates being able to cover the basic functions of receipt, evidence of the contract of carriage and title function. Not many candidates discussed fraudulent aspects sufficiently, but those who did covered it very well. Some common BL fraudulent aspects such as misdating or incorrect condition, or quantity is critical to part be of the question.

Question 2:

Answer **ALL** parts of the question.

Define and briefly discuss these shipping terms.

- a) Off-hire
- b) Laycan
- c) Demurrage
- d) Laytime

What was being looked for by the examiner.

This was another popular question requiring clear definitions and is aimed at assessing candidates' ability to define and discuss key terms. Many candidates did the definition element but did not cover the discussion element. The most common error was off-hire and confusion between laycan and laytime.

Question 3:

Answer BOTH parts of the question.

Discuss using shipping examples to support your answer.

a) Who is a sole trader?

b) Main differences between private limited and public limited company.

What was being looked for by the examiner.

This was not a popular question. Many candidates did cover the basic definitions but did not provide shipping examples. This meant easy marks were lost. Part b could have been better covered as very few students mentioned the relevance of the stock exchange for a public listed company. Using examples of some publicly listed shipping companies like Dry ship or Maersk would be been easy marks.

Question 4:

Answer BOTH parts of the question.

a) Describe what are time charterparties

b) Discuss two costs covered by the charterer and two covered by the ship owner within the time charterparty.

What was being looked for by the examiner

This was one of the most popular questions. Candidates needed to include points such as fixed period of time, payment is in hire, payments are made every 15 days to owners account and they are free to sail to any port and transport any cargo, subject to legal regulation and cargo /regional restrictions for time charters. For part b, some cost to be included to charters account are bunkers, harbour dues, loading and discharges cost. To owners account crew wages, capital cost of ship and insurance cost.

Question 5:

Answer BOTH parts of the question.

a) Explain ship registration and why it is important

b) Identify FIVE open registries

What was being looked for by the examiner

This was another popular question. Several candidates failed to identify the importance ship registration as established under United Nations Convention on the Law of The Sea, Part VII, Article 91(1). Another very critical point candidates needed to discuss is that registration serves to confer the right of the ship to have the nationality of the state in which it is registered requiring the owner to abide by the domestic law of that state. Unfortunately, some students went on to confuse open registries with flags of convenience, discussing that they are the same which is not correct. Part b was fairly done; however, the vast majority of candidates were only able to list 2- 3 correct open registries.

Question 6:

Answer BOTH parts of the question.

a) Draw a diagram of Loadlines

b) Discuss the purpose and importance of each Loadlines mark

What was being looked for by the examiner

This was not a popular question. Many candidates did not correctly label the load line. Candidates needed to discuss that the fundamental purpose of a Load Line is to allot a maximum legal limit up to which a ship can be loaded by cargo. By prescribing such limits, the risk of having the vessel sailing with inadequate freeboard and buoyancy can be limited. A vessel should be having sufficient freeboard at all times, any exceptions made will result in insufficient stability and excessive stress on the ship's hull. Most Candidates did not even mention the International Convention on Load Lines (LL), 1966.

Question 7:

Answer BOTH parts of the question.

a) Using the world map provided draw typical trade routes used for the carriage of crude oil, including TWO load and discharge ports and the oceans, seas and waterways.

b) Identify and discuss TWO factors which may affect the demand and supply of crude oil.

What was being looked for by the examiner

This was a very popular question. Many trade routes were poorly drawn. Oil is still the world's largest liquid bulk commodity with specific load and discharge ports. Most students touched on the supply restrictions caused by the Russia and Ukraine conflict but missed out on some other key factors such as the production costs, the transportation costs, seasonal demand for heating and the huge shift and growth in Asia with countries like India fast becoming a major importer.

Question 8:

Identify the following on the world map provided.

Lines of Latitude and Longitude:

- i. Arctic Circle**
- ii. Tropic of Cancer**
- iii. Equator**
- iv. Tropic of Capricorn**
- v. Prime meridian**

Water ways:

- i. English Channel**
- ii. Malacca Straits**
- iii. Panama Canal**
- iv. Suez Canal**
- v. Straits of Hormuz**

Oceans and seas:

- i. North Atlantic**
- ii. Indian Ocean**
- iii. Mediterranean Sea**
- iv. Bay of Bengal**
- v. South China Sea**

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Ports:

- i. Los Angeles**
- ii. Yokohama**
- iii. Melbourne**
- iv. Cape Town**
- v. Rotterdam**

What was being looked for by the examiner

This was supposed to be another straightforward and easy question. Those candidates who prepared and practiced did extremely well. With some top marks even with full 20 marks for some. Those who did poorly were unable to correctly draw the Arctic Circle, Prime meridian, Tropic of Cancer, Equator and Tropic of Capricorn. Some candidates were not able to correctly local Melbourne, Los Angeles, English Channel, Straits of Hormuz and Bay of Bengal.

