



INTRODUCTION TO SHIPPING

General comments:

The November 2024 paper was a thorough examination of the core syllabus elements. While many students made a solid attempt, time management was a weaker aspect compared to the previous session, with some students struggling to finish on time. However, some were able to answer most questions effectively, providing clear discussions and supporting their answers with relevant industry examples. Despite this, the structural element of responses remains an area for improvement for some students; having a clear introduction, discussion, and conclusion is crucial for strong exam technique. Unfortunately, the maritime geography questions were particularly poorly handled in this session. Overall, the performance in this session was fair.

Question 1:

Define absolute advantage, using crude oil and coffee production to explain your answer.

What was being looked for by the examiner:

This question was attempted by a large number of students.

Many students provided a reasonable definition, but some still were unable to correct and clearly define absolute advantage. Some students tried to use crude oil and coffee to explain their answer but this was not the best as they did not cover the countries correctly. The main point with absolute advantage was to explain that it would encourage trade between countries with different factor endowments.

Question 2:

Discuss the structure of various different types of business entities and explain the main differences between private limited and public limited company.

What was being looked for by the examiner:

This was a straightforward question aimed at assessing students' ability to discuss key difference between a private and public company. The main points should have included, Private Limited Company (Ltd): Ownership is held by a small group of private individuals or entities. Shares are not available to the general public and are typically owned by the company's founders, family members, or a small group of investors. Public Limited Company (PLC): Shares are offered to the general public and can be traded on a stock exchange. Ownership is distributed among a larger group of shareholders, including institutional investors and the general public.

Question 3:

Discuss the requirement for seaworthiness under the Hague-Visby Rules.

What was being looked for by the examiner:

This was not a popular question. Many students did not cover Article III Rule 1 well. They were expected to discuss that the Hague-Visby Rules places an obligation on the carrier to exercise "due diligence" to make the ship seaworthy before and at the beginning of the voyage. For an top mark further discussion needed to cover due diligence is not an absolute guarantee of seaworthiness but rather a requirement that the carrier must take reasonable measures to ensure that the vessel is seaworthy. If the carrier has taken all reasonable steps to ensure seaworthiness but an issue still arises, the carrier may not be held liable. A bit more detailed revision on this subject matter is recommended in the future.

Question 4:

Explain the reasons for ship registrations and why this is important?

What was being looked for by the examiner:

This was a standard question which should have covered ship registration. Students were expected to discuss that ship registration is essential for establishing a vessel's legal identity, ensuring compliance with international regulations, and enabling participation in global trade. It provides legal protections, economic advantages, and accountability, while also determining the laws under which the vessel operates. A further discussion regarding why shipowners, choose the right flag state and completing the registration process is a critical step in managing their maritime assets effectively and legally would have been excellent.

Question 5:

Describe the main features of a Time Charter, to include charter period, redelivery and off hire.

What was being looked for by the examiner:

This was the not a popular question, but many students provided a satisfactory answer. Student needed to define A Time Charterparty (often referred to as a "time charter") is a contractual agreement between the owner of a vessel (the shipowner) and another party (the charterer) in which the shipowner agrees to lease the vessel to the charterer for a specific period. During this period, the charterer has the right to direct the ship's operations, within the limits set by the charterparty, but the shipowner retains control over the management and navigation of the vessel. Many students covered the chartered period and redelivery well but struggled with the Off-Hire Periods. This is the time that the charterer does not have to pay hire during periods when the vessel is unavailable for service (e.g., due to breakdowns or repairs).

Question 6:

Identify and briefly explain the key elements of a legally binding contract, giving FIVE examples of contracts used in international shipping.

Answer

What was being looked for by the examiner:

This was one of the most popular question and many students provided a solid answer. Students covered well that a contract to be legally binding and enforceable, it must contain all of the elements of offer, acceptance, consideration and capacity and legality. If any of these key elements are missing, the contract may be void, voidable, or unenforceable. The top students identified that it is crucial to ensure that these elements are clearly established when forming a contract.

Question 7:

Answer ALL parts of the question.

- a) Using the world map provided, identify TWO different load and TWO different discharge ports for the carriage of crude oil and draw the supporting trade routes, identifying the oceans, seas and waterways enroute.**
- b) Identity and discuss TWO factors which may affect the demand and supply of crude oil.**
- c) Draw a simple sketch of a profile of a crude tanker of your choice, labelling the main parts.**

What was being looked for by the examiner:

This was a popular question attempted by students, but some students did not show the correct oil trade routes and did not always position the ports correctly. Load, discharge ports and trade routes are a very important part of Introduction to Shipping. Some students drew the trade route over the land, which is incorrect, as ships do not navigate over land. Many students successfully touched on the correct factors affecting demand or supply of oil.

Question 8:

Identify and draw the following on the world map provided.

Latitude and Longitude:

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

Water ways:

- vi. English Channel**
- vii. Suez Canal**
- viii. Panama Canal**
- ix. Malacca Straits**
- x. Strait of Hormuz**

Seas:

- xi. Caribbean Sea**
- xii. Mediterranean Sea**
- xiii. North Sea**
- xiv. Bay of Bengal**
- xv. Baltic Sea**

Major ports:

- xvi. Bonny**
- xvii. Singapore**
- xviii. Fremantle**
- xix. Hamburg**
- xx. Chennai**

What was being looked for by the examiner:

This was a fairly popular question. Unfortunately, others were unable to correctly position ports in the correct countries, the waterways were not correct. The seas were correct in many cases, but overall, this was a poor attempt by many students.