



MAY 2025 EXAMINATION SESSION

THURSDAY 15th MAY 2025 - MORNING

ECONOMICS OF SEA TRANSPORT AND INTERNATIONAL TRADE

Time allowed – three hours

Answer any FIVE questions – all questions carry equal marks

Please read the questions carefully before answering

1. 'Trade protections like tariffs are generally bad for world GDP'. Discuss.
2. Explain what is meant by "Price Discrimination" in Liner Trades.
3. Answer **ALL** parts of the question.

Within the **GRAIN** market:

- a) Identify **FOUR** major cargoes.
 - b) Give details of what they are used for, the typical cargo size or range and the type of vessel that would be used for their carriage.
 - c) For **ALL FOUR** major cargoes, using the world map provided at the centre of your answer booklet, show and label a typical load port and country, a typical discharge port and country and the trade route between them. Use different ports for each trade route.
4. Explain why the understanding of the supply demand model is critical to ship management success. Use a diagram to support your answer.
 5. Using a diagram to support your answer, explain how the "break even model" is used to determine the minimum freight rate.
 6. With the use of suitable diagrams explain the concept of 'elasticity of supply'.

PLEASE TURN OVER.

7. Identify and explain the key demand factors that influence a lay-up decision.
8. Define and briefly explain **ALL** of the following topics:
 - a) Protectionism
 - b) Marginal Cost
 - c) Equilibrium Freight Rate
 - d) Free trade.