

EXAMINER'S REPORT SHIPPING

BUSINESS

November 2025

Introduction

I would like to begin by congratulating the students on an admirable pass rate of 86.79%. This result clearly demonstrates that the vast majority of students invested time and effort in preparing for the Shipping Business examination.

Papers that achieved marks below 50% generally lacked sufficient content or did not adequately address the questions posed.

General comment

This last Exam Session of Shipping Business is again a valuable testimony of the variety of backgrounds, education, current positions, hours of study and

dedication each candidate held and showed. It is not surprising to say that the more students prepare for the exam, the better their results. Some candidates rely solely on their work experience to sit this exam, but it is not enough in most cases. Finding shortcuts in this subject is difficult due to the extensive and varied syllabus.

The tip

All of you students reading this report, please see the structure of Q1,2,5,7 and 8. The second word of all these questions invariably is BOTH. If you find this in the Exam, it means that we are expecting you to answer a) and b) and...that we are normally going to allocate the same importance to either part! So, the same effort into answering and thus the same amount of time devoted to each part is a tip that can help you push up your marks in Shipping Business.

Question 1

Answer BOTH parts of the question.

You have been asked by senior management to set up a quality control system for your company.

Explain the process you would follow to set up the above system to ensure that the correct procedures are in place.

Describe the advantages and disadvantages of having the above quality management system.

The comment

Overall, students who attempted this question demonstrated a reasonable grasp of the topic, and many produced well-structured responses, with a small number achieving distinction-level marks. However, weaker answers tended to be vague when outlining the process of establishing a quality control system, often focusing primarily on external audits, which occur after implementation, with limited

reference to ISO-approved auditors. Candidates who did not achieve a pass mark generally failed to explain the full sequence of steps involved, instead discussing only one stage of the process. Similarly, when evaluating the advantages and

disadvantages of a QMS, responses frequently lacked balance, concentrating mainly on improved customer satisfaction and cost implications.

Question 2

Answer BOTH parts of the question.

Dry bulk carriers vary in size depending on a number of factors.

Describe FIVE size classifications of bulk carriers, giving the deadweight range and typical length overall, beam and summer draft.

Select either a cargo of coal OR a cargo of grain and discuss the particular characteristics and hazards involved in the transportation of the cargo of your choice.

The comment:

Many students correctly identified the five classification types of bulk carriers, although a significant number either provided incorrect dimensions or referred only to deadweight tonnage, resulting in the loss of higher marks. Some candidates incorrectly included Aframax and other tanker-type vessels, for which no credit

was awarded. Students who responded to the question as asked performed well, particularly when accurately listing the dimensions of dry bulk carriers before progressing to part b). While responses in part b) were generally strong in

identifying hazards, most failed to discuss the specific characteristics of the selected cargo, grain or coal, and very few referred to the vessel types most commonly employed, limiting the overall quality of answers.

Question 3

Describe the composition of the International Maritime Organisation (IMO), its functions, achievements, and ONE major challenge it is currently addressing

The comment:

Students who achieved higher marks demonstrated a clear understanding of the IMO's composition, functions, and achievements. Most candidates discussed the Climate and Decarbonisation challenge in detail; however, only a small number addressed other significant challenges facing the organisation. While many students were able to correctly identify and explain key IMO conventions, responses often lacked sufficient depth regarding the organisation's structure. In particular, limited detail was provided on the roles of the Assembly, Council, and the various committees, with several answers merely noting their existence without explaining their specific functions, which restricted the quality of otherwise acceptable responses.

Question 4

Describe the circumstances where a shipowner may wish to appoint a protective agent and discuss the scope of the role this agent plays during the call of a vessel at a port.

The comment:

Although this question appears frequently in SB examination papers, it was not well answered by the majority of students. Many responses demonstrated a lack of understanding regarding the distinction between nominated and Protective agents, with a significant number incorrectly referring to agents as being appointed by charterers rather than by owners.

Candidates often focused on the general role and functions of a port or nominated agent, spending considerable time describing pre-arrival, in-port, and post-departure duties such as arranging services and preparing port disbursement accounts. As a result, insufficient attention was given to the specific purpose and responsibilities of a Protective agent, which limited the quality of responses and reflected a fundamental misunderstanding of the question.

Question 5

Answer BOTH parts of the question.

Your principal is a steel trader new to the market and is looking for suitable options to cover their cargoes.

Write a message to your principal, explaining the two main types of chartering contracts: Voyage and Time Charter, giving an example of a standard Charter Party form with the main clauses in each type of charter party.

Briefly explain your principal's financial responsibilities as a Charterer under a Voyage and Time Charter.

The comment:

This question was generally not well answered, with a good share of candidates failing to correctly identify the key clauses contained within both voyage and time charterparties. Very few responses referred to vessel description elements, such as speed depending on fuel consumption, when discussing time charters, despite this being a fundamental requirement. While some students demonstrated a better understanding of the financial responsibilities under a time charter, the explanation of voyage charter responsibilities often focused on freight and demurrage, with little consideration of other relevant costs. Additionally, several candidates did not provide examples of charterparties, such as GENCON, NYPE, or others, when explicitly requested, which reduced the overall quality and completeness of their answers.

Question 6

You are the marketing director of a ship management company offering a full range of services. Write a proposal to a new shipowner who has just purchased a modern tanker to offer them a full ship management service, describing all the services you would provide.

The comment:

This was one of the more popular questions in the set, and while some candidates produced very strong responses with a comprehensive explanation of the services offered under full ship management, many answers lacked sufficient focus on the requirements of the question. In attempting to write a proposal from a marketing manager's perspective, several students concentrated on company background, internal experience, or proposed discounts, rather than clearly outlining the range of services provided. In addition, a few candidates identified or tailored their responses to tanker-specific requirements, despite this being written in the question. The absence of detailed descriptions of technical, commercial, and crewing services made it difficult to award marks in many otherwise well-presented scripts.

Question 7

Answer BOTH parts of the question.

A trader is planning to export a container of furniture from their factory in Hanoi, Vietnam, to a new customer in Los Angeles, USA. They want to use either FCA or DDP Incoterms.

Explain the meaning of FCA and DDP, including the responsibilities with associated risks for the seller and the buyer.

Select ONE of the above Incoterms you would use and discuss the reasons for your choice.

The comment:

This was the most popular question and produced a mixed range of responses. Most students were able to explain the meanings of FCA and DDP and outline the basic responsibilities of the buyer and seller under each term. However, many answers focused primarily on cost allocation and failed to clearly identify when risk and ownership transferred, or to discuss the associated risks to each party. Stronger responses considered the entire movement of goods under both terms, clearly explaining responsibilities and risk at each stage.

Only a small number of candidates addressed higher-level considerations, such as changes in tariffs during transit under DDP, which limited their ability to achieve top marks. Answers often missed the risks associated with a new buyer of non-performance and non-payment. Answers to part b) of the question could have included a discussion of a new buyer and their lack of a credit rating, the available payment methods, and why it is necessary to avoid open-account terms or the use of a bill of exchange.

Question 8

Answer BOTH parts of the question.

Maritime fraud remains a major concern for shipping companies worldwide.

Identify and explain THREE types of maritime fraud that can occur in daily shipping activities.

Select ONE of the above types of maritime fraud and suggest practical measures that a prudent shipowner, operator, and charterer (or any stakeholders) can take to prevent and detect such fraudulent activity.

The comment

This was one of the most popular questions; however, the overall standard of responses was disappointing. Only a minority of candidates successfully identified three distinct types of maritime fraud, with many answers concentrating on multiple examples of documentary or bill of lading fraud without clearly recognising them as a single category. There was a noticeable overemphasis on documentary fraud and insurance fraud, often at the expense of other forms, such as bunker fraud, which was sometimes discussed in isolation. Part (b) was generally weak, with few students proposing effective measures for preventing or detecting fraud, although it was encouraging to see some higher-quality responses considering e-bills and cyber-related fraud risks.