General comment:

The Dry Cargo Chartering exam has a number of core elements namely; the ability to recognise a bulk carrier, to describe the commodities those vessels carry and the routes they trade, the use and functions of the bill of lading and the trading mechanism used to hire a ship or cargo space. It is therefore regrettable that there are still too many students attempting this exam with little basic understanding of the subject. This is an opportunity for students to demonstrate their understanding of the subject, not their ability to memorise lists.

That said there were a number of very well answered papers and I congratulate those successful students on their understanding and ability to communicate the same. For those that failed, I hope this report will point them in the right direction for their future studies.

Question one

This was quite a popular question, which was largely well answered, albeit some candidates still entered voyage charter terms in a time charter offer. Unfortunately too many candidates failed to see it was a two part question and although they wrote a good offer, there was very little detail on the different responsibilities. In order to pass candidates had to include all the main terms of a time charter offer, particularly speed and consumption, hire rate, delivery point and bunkers on redelivery. They also had to at the very least highlight the main differences between responsibilities for voyage costs.

Question two

Although this question was attempted by the majority of candidates, few passed it. It should be noted that if the question asks candidates to draft a message, they lose marks if they do not do this. Also this question was specifically designed to get candidates to demonstrate their understanding. No marks were given if candidates just wrote an essay on bills of lading. A pass answer had to be in the form of a message, with reference to the fact that agreeing would be fraud (technical or otherwise). An explanation of the functions of the bill of lading was required – particularly receipt and evidence of contract – but in the context to explain why this is fraud. There were also marks available for the discussion of the problems of agreeing to the request and including the fact that owners would be open to claim if not as per “receipt”, the effects on insurance, no P&I cover and non-enforceability of letter of indemnity.

Question three

Although this question asked for a general arrangement plan; that is a plan view, profile and cross-section diagram, a pass answer only needed the last two. Most attempts got this. Where candidates fell down was in the labelling of the diagrams and a list of dimensions.
Question four
The question asked for three laytime terms to be described and appropriate clauses drafted. It was the latter that caused the most problems. Candidates should note that they do not have to memorise charter parties, but they should be able to recreate certain clauses. Most worrying was the number of candidates who did not understand ‘interruptions’ in a laytime context or who only mentioned one possibility eg weather or weekends. In order to pass, all three definitions had to be correct and at least one clause provided.

Question five
This should have been a straightforward question for candidates. In order to pass candidates had to detail the main differences between the two forms of charter eg management, crewing, insurance, and discuss the owner’s different responsibilities under each. The question did not ask for a list of differences, which sadly a number of candidates provided. Few candidates went beyond the basics or added enough detail to gain high marks.

Question six
This was another straightforward question that was disappointingly poorly answered. In order to pass candidates should have described at least four different routes described (beyond the basic loading USG discharging Rotterdam) for at least two different cargos, with a comment on weather and cargo hazards. There were extra marks available for extra detail on the routes, including routing & weather and for the stowage of cargo. Very few students described a one year trading pattern, with most just picking two trades and two cargoes – and in some cases one of these was inappropriate for a Handymax bulk carrier. In a number of cases it seemed that candidates answered a commodity question they had wanted to be asked, rather than the one that was set.

Question seven
This question highlighted the danger of learning excerpts of the course book verbatim. In order to pass, the candidate had to show an understanding of; the necessity to indicate source of authority, being legally liable if unauthorised, the requirement to insert “as agents only” and to discuss breach with or without negligence. Far too many candidates concentrated on the last point, with an example that was clearly memorised, but failed to add the necessary explanation. There were extra marks for discussing the implications of not inserting “as agents only” (possible liability as principal) and discussing the associated liability of breach with/out negligence. Very few candidates passed this question and those that did, did not score highly.

Question eight
This was not a popular question. In order to pass candidates had to produce a simple final freight statement with all parts clearly explained. There were extra marks available for including address commission and demurrage and any explanation of freight payment clauses. A number of candidates wrote a voyage estimate. However when candidates passed, they passed well.