Overall Comments

This was not a good year for dry cargo chartering. It seems that many candidates see this subject as an easy option and do very little study before sitting the paper. The basic points of the paper are to be able to recognise a bulk carrier, know the commodities it carries and the trade routes these commodities travel, to be able to charter that ship and recognise the main documents involved in the trade. Far too few candidates have even this basic understanding this year.

Question One

Candidates should pay attention on what the question asks and answer accordingly. The question said, describe trade routes. A pass answer needed to describe at least two trade routes – not just draw a few lines on a map or, worse, list countries. A successful answer would also describe the main characteristics and hazards for each commodity - so many candidates forgot that grain shifts. There were additional marks for trade route descriptions of weather and geography and expansions of hazards and stowage requirements. Distinction answers included a well annotated map – including ports – with a well written essay.

Question Two

This was a two part question and most answers lacked any relevant detail about the role of the broker. A pass answer had to show an understanding of the necessity to indicate source of authority, legally liable if unauthorised, the requirement to insert “as agents only” and the implications of not inserting these words (possible liability as principal), discuss breach with or without negligence, and associated liability. Few candidates mentioned contract or commission or the ethics around one offer one cargo.

Question Three

Pass answers for this question were in the form of a message to Owners, made reference to the fact that agreeing would be fraud (technical or otherwise), with an explanation of why this is so, using the main functions of the bill – namely receipt and evidence of contract. Additional marks were available for noting Receipt must include quantity and description of cargo loaded, LOI unenforceable, request affects insurance and could lead to claims and an explanation of why being asked this. Few candidates suggested a solution beyond “Don’t”.
Question Four

A pass answer included all main terms of a timecharter offer, particularly speed and consumption, hire rate, delivery point and bunkers on redelivery. Plus it highlighted the differences of responsibility for voyage costs. Distinction answers expanded the offer and wrote a detailed essay on responsibility. Worryingly, a number of candidates submitted a voyage offer plus a voyage estimate to show a daily return. Candidates must learn to answer the question that has been asked.

Question Five

A pass answer set out all the main components of a Laytime statement (vessel arrived, nor tendered, loading/discharge commenced and completed, time to count from, laytime allowed, time worked, laytime used, time saved) in a format that arrived at a calculation for demurrage / despatch. Additional marks were available for clearly explaining all the main terms: for example, statement of facts, time used, duration of laytime, all purposes, commencement, NOR, turn time, interruptions, demurrage/despatch etc. Regrettably, far too many candidates neglected to read that bit of the question. Distinction answers were clear about laytime starting at anchor, shifting not counting and had a clear demurrage calculation.

Question Six

There are still too many candidates answering this question “In my opinion” – a market report is a structured report that only has opinion when based on facts – it is not a fixture list attached to a sales pitch. A pass answer included a description of the current tonnage availability and cargo demand, a discussion of the forecast for demand and supply and a view on the future in line with the previous arguments. Additional marks were available for an outline of the latest orderbook (not actual figures but order of magnitude) and a suggested forecast consistent with the preceding argument. Distinction answers included a well written message with a logical argument and understanding of market forces.

Question Seven

It should first be noted that there were two parts to this question. A pass answer included a well annotated profile and midship section of a bulk carrier plus a description of at least one trade route (“worldwide” was not good enough). Additional marks were available for realistic dimensions and additional routes. Distinction answers included a full timecharter description.

Question Eight

This question was designed to test the candidate’s knowledge of principal charter parties relevant to the dry bulk industry. Pass answers had to be in the form of a message and dealt with a timecharter c/p eg NYPE or ASBATIME. Specific points were available for mentioning and explaining the protective clauses Clause Paramount, New Jason, New Both-to-Blame collision clause, War clause, with extra marks for the discussion of negotiation of clauses.