THE INSTITUTE OF CHARTERED SHIPBROKERS

APRIL 2002 EXAMINATIONS
MONDAY 22 APRIL – AFTERNOON

ECONOMICS OF SEA TRANSPORT AND INTERNATIONAL TRADE

Time allowed   Three hours
Answer any FIVE questions  All questions carry equal marks
Candidates should use diagrams where applicable to enhance their answers.

1. Compare and contrast the market characteristics applicable to tankers and dry bulk carriers.

2. Discuss the elements that a port needs to consider in order to improve its economic performance.

3. Assess the effects of both tariffs and quotas upon international trade, and advise which of these two main forms of protectionism you would recommend to a government seeking to reduce a large balance of trade deficit.

4. ‘Size matters.’ Evaluate this statement with reference to a range of shipping activities and by using relevant economic concepts.

5. Examine the factors that influence the demand for shipping and explain why the demand for shipping services is considered to be a derived demand.

6. During an economic downturn, it is vital that ship operators closely monitor their costs, as freight revenues may fall dramatically. Identify the cost components that the ship operator may control, and explain how the cost base may be reduced.

7. Using diagrams, show how time is an important factor in our understanding of the responsiveness of tonnage to freight rate movements.

8. Consider the implications for world trade and shipping of China accession to the WTO.