1. During the second half of 2003 dry bulk freight rates reached all time record high levels. This was attributed to continuous growth in Chinese demand for iron ore and steel whilst at the same time the supply of ships to carry these cargoes was limited. With the aid of diagrams explain the development of this situation making reference to elasticity.

2. What is the effect of the imposition of a tariff on an imported good. Use diagrams to explain your answer.

3. Exchange rates between countries adjust continuously. At the same time most shipping transactions are concluded in US dollars. Explain: a) What factors are behind these movements, and b) How can the exchange risk be minimised by both parties in the transaction?

4. The Theory of “Economies of Scale” is widely applied in the shipping industry. Explain the principles of the theory and discuss how it is applied in a) ports, b) the liner industry and c) the shipbuilding industry.

5. Using examples explain the concept of “opportunity cost” as it applies to the shipping industry from the point of view of an owner, a charterer and a port agent.

6. In the second half of 2003 dry bulk freight rates rose to a level such that for some commodities the fob price of the cargo was less than, or close to, the freight rate. Discuss the implications of this for world trade and shipping patterns.

7. Discuss the structure of the tanker market drawing out the differences between crude and products trade.

8. Fleet supply at any one time is governed by many factors. Discuss how these factors influence the freight market in both the short and long-term especially with regard to newbuilding deliveries from the shipyard and scrappings / demolition.