1. The vessel ‘Harmony’ is chartered under the New York Produce Exchange (N.Y.P.E.) form for a period of 12 months. The charter-party incorporates the Hague-Visby Rules. On her recent voyage from Japan to the U.S.A., and having followed the shorter northern Great Circle route, she encountered some bad weather and a few repairs were effected to her whilst loading in the U.S.A. The charterers gave orders to the master that the vessel was to proceed to Japan and take the shorter northern Great Circle route. The master however insisted on proceeding by the more southerly route with a resulting increase in the time taken for the voyage and the bunkers consumed.

The charterers now claim that due to the master not following their orders the shipowners failed to prosecute the voyages with the utmost despatch, and that the shipowners are in breach of the charter-party provision requiring the master to follow orders and directions of the Charterers as regards employment and agency. Both these obligations are contained in the N.Y.P.E. form.

The owners maintain that the decision of which route to follow was a decision in and about the navigation of the vessel.

(a) Advise the parties what action should they take and what is the most likely outcome?
(b) Would the outcome have been different if this had been a voyage charter?

2. (a) What is the difference in a voyage charter-party between a berth/dock and a port charter? Explain which of the two is more beneficial to (i) the owner, and (ii) the charterer.

(b) Explain the term “Once on demurrage always on demurrage” as compared to laytime.

(c) Explain and discuss the difference that the “Reid test” made in relation to “arrived ship”.

3. Under a contract of carriage of goods from the U.K. to Singapore evidenced by a bill of lading, a claim by the shipper against the carrier for damage to goods is commenced in the U.K. Consider the effect of the following terms in the circumstances:

(a) The carrier agrees with the shipper/consignor that claim/suit for loss or damage to goods will have to commence within six months from actual delivery of the goods.

(b) The carrier agrees with the shipper/consignor that any claims by the carrier will have to commence within eight years from actual delivery of the goods.

(c) The carrier agrees with the shipper/consignor that the Hague Rules are to apply to the contract of carriage.

P.T.O.
4. One of the functions of a bill of lading is that it is evidence of the contract of carriage.

- Consider and fully explain this function.
- Analyse whether there are any circumstances when a bill of lading may be/become the actual contract of carriage.

5. Explain and discuss the main provisions of the following:

- The International Management Code for the Safe Operation of Ships and for Pollution Prevention 1993 (the I.S.M. code)
- The International Convention on Standards of Training, Certification and Watchkeeping for Seafarers 1978 (STCW)
- MARPOL

6. Identify and discuss the differences, advantages and disadvantages that may exist between the Hague-Visby Rules 1968 and the Hamburg Rules 1978.

7. John, a shipbroker, has been working for PB Ltd., a large shipowning company, for a number of years. PB Ltd. have always made the point that John is their shipbroker in so far as chartering their vessels is concerned. However, PB Ltd. have recently notified John that his authority to conclude contracts (charter parties) in the dry cargo market is withdrawn, and that he is only to concentrate on wet cargo contracts. Despite these instructions, John concludes a contract (charter party) for dry cargo on behalf of PB Ltd., at a particularly attractive rate. John approaches PB Ltd., and lets them know of this contract.

Detail and explain the consequences of the possible courses of action PB Ltd. may take in the circumstances.

8. (a) In relation to European Union law, explain the characteristics of (i) Regulations, and (ii) Directives.

(b) The English legal system uses many Latin-based expressions; define and explain what is meant by (i) *ejusdem generis*, (ii) *stare decisis*.

9. As a shipbroker you have concluded a contract (charter party) on behalf of your principal (shipowner) for the chartering of the vessel ‘Fudge’. You now realise that your principal (shipowner) is reluctant to pay the agreed commission to you, despite the fact that your commission was spelled out in the charter party. On these facts, discuss the ways in which a shipbroker can recover brokerage/commission owed to him/her.

10. Discuss the meaning of “vicarious liability”. What is its relationship with the so-called ‘Himalaya’ clause?