TUE INSTITUTE OF CHARTERED SHIPBROKERS

APRIL 2003 EXAMINATIONS
FRIDAY 11 APRIL – AFTERNOON

PORT AGENCY

Time allowed – Three hours

Answer any FIVE questions – All questions carry equal marks

Your financial director has sent a report to you stating that the cash flow in your region requires to be improved. Discuss this issue; demonstrate the importance of positive cash flow to the ships agent. Define the methods which are at your disposal to improve your cash flow position. Also highlight the difficulties should the cash flow situation deteriorate.

2 You are an office manager for a major Shipping Agency, with offices throughout your region. Your Managing Director has just completed a meeting with you and the other office managers, on the theme of “added value services”. She has then asked for a report to be submitted to the board on the subject by each office manager, requesting their views and thoughts on how their region can improve its range of services and profitability.

Produce a formal letter to your M.D. outlining your understanding of the term, and the additional added value services which can be undertaken from your own region, with a view to improving profitability.

3 You are charterer’s nominated agent for a vessel presently loading grain in your port.

The governmental body which controls shipping standards in your country has issued a detention order on the vessel due to several severe defects. The charterer wishes the vessel to sail immediately after completion of loading, as they are aware of potential congestion at the port of discharge.

The vessel’s owners who are located in a differing time zone have requested that you fund the cost of repairs which the local shiprepair yard anticipate to be in the region of $20,000. Despite two reminders, the owners have failed to pre-flmtd you to date for the vessel’s disbursements, a sum of $35,000.

The stevedores now advise you that, due to loading elevator breakdown, they will now need to work a Saturday shift at the cost of $3,000 overtime to complete the loading operation.

It is 1700 hours on Friday afternoon, discuss in detail your operational response.
4 Compile a detailed time sheet and calculate demurrage or despatch due from the information within the statement of facts.

**M.V. “Mark”**

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
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<tbody>
<tr>
<td>Arrived</td>
<td>0600 Wednesday 9th March</td>
</tr>
<tr>
<td>N.O.R. Tendered</td>
<td>0900 Wednesday 9th March</td>
</tr>
<tr>
<td>Loading Commenced</td>
<td>0700 Thursday 10th March</td>
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<tr>
<td>Loading Completed</td>
<td>2300 Tuesday 15th March</td>
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<tr>
<td>Vessel Sailed</td>
<td>1900 Wednesday 16th March</td>
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**Cargo Loaded**

20,000 M/Tonnes

**C/P States:**

“Laytime to commence at 1300 Hrs if notice given before Noon, at 0700 next working day if given after Noon : notice to be given in ordinary office hours.”

“Cargo to be loaded at the rate of 5000 metric tonnes per weather working day of 24 consecutive hours.”

“Time from 1700 Friday or the day preceding a holiday to 0800 Monday or next working day not to count unless used, but only actual time used to count, unless vessel already on demurrage.”

“Demurrage rate USD 5000 Per Day and Pro Rata/Despatch at half demurrage rate on laytime saved.”

**Other Salient Notes:** Normal port working hours 0700-1700 Monday to Friday. Outwith normal hours on overtime basis.

On Monday 14th March rain stopped all work in port from 0900-1000 hrs.

The vessel worked from 0700-2359 on Saturday 12th of March

The vessel’s sailing was delayed due to port strike action.

5 With the aid of sketches fully discuss the main dimensions and tonnages of the following ship types. Suggest cargoes and loading and discharge ports which would suit their trade.

a) Bulk Carrier suitable for Great Lakes transit.

b) Aframax Tanker
6. You are owner’s appointed agent at a port that has severe tidal restrictions. One of your colleagues has given incorrect information to a ship-owner in respect of anticipated tidal conditions.

On the basis of the information given by your colleague, the owner has concluded a charter party. The vessel has arrived and cannot enter the part due to neap tides for a period of five days. The vessel has anchored outside your port and tendered Notice of Readiness. The owner’s legal department has advised in writing that they intend to hold your company liable for any demise and additional costs incurred by the delay.

Create a formal response to the owner clearly stating your legal position.

7. Define and discuss in full four of the following abbreviations:
   (a) FIOSPT
   (b) CQD
   (c) LBP
   (d) FOW
   (e) IWL

8. You are agents for a general cargo vessel carrying numerous parcels of cargo to your port for discharge. The vessel has suffered damage during severe weather and had to jettison a portion of deck cargo which caught fire. The vessel has entered a port of refuge for repairs and has declared General Average.

You are also responsible for clearance and delivery of the cargo. You advise the various consignees of the term, however it becomes clear that they have no knowledge of General Average. Draft a formal letter to one of your consignees fully explaining the term and the actions that they need to undertake.