THE INSTITUTE OF CHARTERED SHIPBROKERS

APRIL 2001 EXAMINATIONS

TUESDAY 24 APRIL – MORNING

SHIPPING PRACTICE

Time allotted – Three hours

Answer any FIVE questions – All questions carry equal marks

1 Commercial disputes regularly arise over the interpretation of the term “FOB”. Explain the significance of this term, identify the areas in which problems might arise and suggest ways in which misunderstandings can be avoided.

2 The crude oil tanker market tends to be more volatile and unpredictable than the dry cargo market. Identify the trade routes in crude oil and analyse the factors which influence this market.

3 Examine the circumstances in which a shipowner wishes to engage an independent shipping company and describe the range of services which are offered by these companies.

4 As an established Port Agent, you are invited by your local port authority to submit ideas for the port’s new marketing and publicity strategy. Draft a memorandum to the port authority commercial manager listing the features which you consider are most important in attracting trade.

5 Most Documentary Letters of Credit call for the production of a “full set of clean, shipped on board Bills of Lading”. Explain the concept of a “clean” Bill of Lading and its significance to buyer and seller in international sales.

6 The Corporation of Lloyd’s and the Baltic Exchange both provide a service to different sectors of commerce. Explain the role of these organisations, and consider their future in the age of electronic trading.

7 All forms of commercial contract contain certain basic elements. Identify these elements and show how each of these will apply in the process of chartering a ship.

8 Following the loss of the “ERIKA” in December 1999, which caused a devastating oil-spill off the French coast, public attention was once again focussed on the role played by the Classification Societies in safety at Sea. Learn the reasons for this and discuss the problem of regulating the work of Classification societies.