INSTITUTE OF CHARTERED SHIPBROKERS

APRIL 2009 EXAMINATIONS
TUESDAY 21 APRIL – AFTERNOON

SHIPPING BUSINESS

Time allowed – Three hours

Answer any **FIVE** questions – All questions carry equal marks

1. Due to market forces and competition from other producers, an exporter, who is used to selling on FAS terms, is forced to offer his goods on a CIF basis instead. Examine the additional responsibilities and risks the exporter will have to undertake and comment on what advantages, if any, there might be in accepting these risks.

2. A Shipowner, with whom you have a longstanding business relationship, has a vessel due to call at your port next month, but it is consigned to an agent nominated by the charterer. Based on a situation of your choice, compose a letter to the Owners explaining why they should consider appointing you as their protecting agent for this call and give details of the duties you would undertake.

3. The ITF is widely known for supporting member unions and defending the interests of transport workers worldwide. Describe, in detail, the role and structure of the ITF and discuss the ways in which it achieves its objectives.

4. The Sale & Purchase broker works in a highly specialised area of shipbroking. Analyse the major differences which distinguish his/her market from that of a Chartering Broker and comment on the three distinct sectors of the S & P market.

5. Many traditional ports around the world have developed in line with the communities and industrial hinterland they serve, although, in order to survive, have found it necessary to adapt and diversify. Selecting a major port as an example, discuss the factors which have influenced its development and comment on its future prospects.

6. Discuss the role and function of **two** of the following organisations:
   a) International Chamber of Shipping
   b) FONASBA
   c) UNCTAD
   d) IMB

7. Explain the different payment methods available to those involved in international trade and discuss the risks involved to the buyer and seller transacting under each method.

8. The formation of ice affects many ports and shipping routes during Winter months causing disruption to shipowners and traders alike. Define the main areas and ports affected, identify the problems experienced and explain the methods adopted to overcome the difficulties caused by this seasonal climatic condition. Use the world map provided to illustrate your answer.