



## INTRODUCTION TO SHIPPING

### INTRODUCTORY REMARKS

It has been a pleasure to mark these papers, with standards certainly maintained and often exceeding those of 2012. This situation proves that the majority of students participating in these examinations have been properly prepared and this is a credit to Institute Teaching Centres and tutors.

**1. Discuss some of the factors which have led to the development of the VLCC tanker. Draw a cross-section of this ship and mark upon the world map provided a typical voyage from a named Arabian Gulf loading port to a named Dutch port of discharge.**

This was not a very popular question, although the answers displayed good knowledge levels. Where students lost marks, the main factors were drawings supplied of longitudinal as opposed to the required cross-sections, and points lost due to the lack of geographical knowledge.

**2. An exporter of fruit from New Zealand, destined for north European ports, is considering whether to change transportation policy from voyage charter to suit his immediate requirements to enter into a liner shipment arrangement. Provide reasons why the exporter should choose one or other of these.**

This question was designed to cater for the growing number of students engaged in the Liner Trades and the answers certainly reflected detailed product knowledge. A minority of answers confused liner shipment with a blend of bareboat, timecharter and contract of affreightment. A further criticism is to note the few mentions of suitable ship types.

**3. Tort is often described as the failure of a Duty of Care. Give three examples of the various tort classifications and explain how tort is linked to the introduction of the 'Himalaya' clause.**

This was a popular question with legal definitions and examples quoted. The second part to this question was answered particularly well with most describing in detail the circumstances surrounding the Himalaya clause and its implications for liability.

**4. Define the accounting term budgeting and expand this definition to the practical application of budget preparation. Explain how a company reviews its forecasts and reacts to the results.**

It was pleasantly surprising to note the level and purpose attached to management accounting, although unfortunately the answers did not always make reference to budgeting and in particular variance analysis.

**5. Define both registration and classification. Explain why vessels are classed and how a classification society is chosen. Who ensures consistent standards across the classification societies?**

This was a popular question and many answers displayed a sound knowledge and understanding of the subject. Criticisms are the lack of opinions upon how a Classification Society is chosen and frequent confusion between the IACS and IMO/ITF.

**6. Economists frequently describe nations as enjoying absolute and comparative advantage. Explain the meaning of these terms and explain how factors of production would be influential in determining the advantages.**

This was a popular question. The explanations were good and in nearly every case accompanied by examples. Factors of production were well understood, excepting the notable omission of 'enterprise'.

**7. The duties of a port agent may be broadly divided between actions taken before, during and after the port call. For a vessel under a voyage charter describe the agent's duties to be performed and state what differences there might be depending upon whether the owner or charterer nominated the agent.**

The question did describe the port call as a voyage charter and unfortunately, points were lost by the majority who wrote about a Liner Agent's duties. Agency nomination and appointment were quite well understood and commendably neutral with commercial responses to the implied question concerning 'Clash of Principal Interest'. A major criticism is to note the lack of comments concerning funding.

**8. Draw a typical set of loadline marks. Describe the background and purpose behind these marks and explain what the letters mean.**

Nearly everyone chose to answer this question and pleasingly, in most cases, an accurate diagram was produced. There were some mistakes in the positioning of initial letters.