

General comments

Although the overall numbers of students passing Dry Cargo Chartering has remained constant, those who passed the exam in November 2015 have done so with, on average, higher marks. Possibly these are those students who are using the November sitting as a retake? In which case well done!

There are still a number of students who aren't able to show their understanding of the fundamentals of the subject under exam conditions. The main fundamentals include the ability to draw accurately a bulk carrier, to describe the commodities those vessels carry and the routes they trade, the use and functions of the bill of lading and the trading mechanisms used to hire a ship or cargo space.

As professional exams, the questions are structured as an opportunity for students to demonstrate their understanding of this subject, not their ability to memorise lists.

There were a number of very well answered papers and the Dry Cargo Chartering examiner team congratulate those students on their understanding and ability to communicate their knowledge. For those that failed, we hope this report will point them in the right direction for their studies for their next attempt.

While some of the results could be attributable to students rushing the last two questions because of time pressures and/or not answering the five questions that are required, the common reasons for failed questions were;

Failure to address the question

Failure to include key information in the answer

Lack of knowledge/ability to show understanding of the dry cargo market

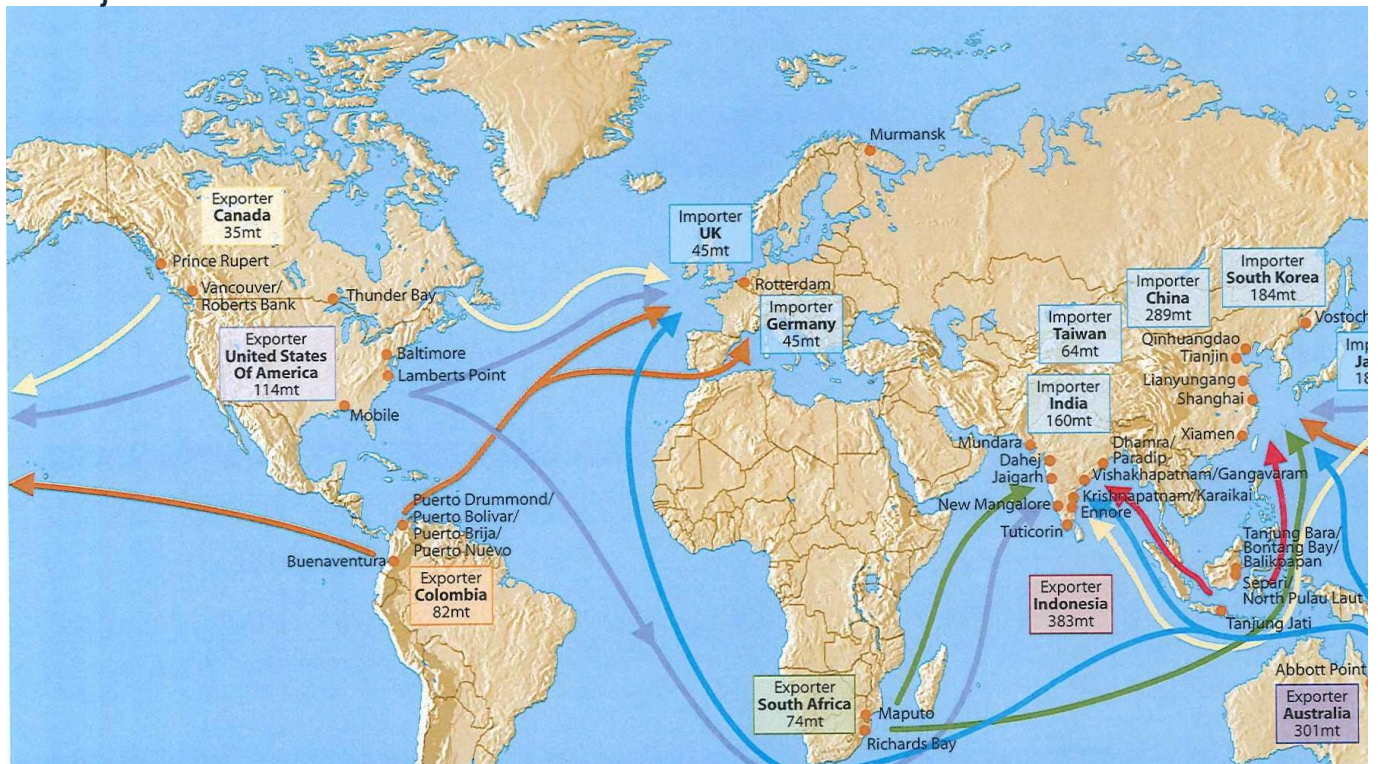
Question 1

Accurately drawing a bulk carrier is a fundamental part of the Dry Cargo Chartering syllabus. Students should note that the Institute has changed the answer booklets to provide graph paper to aid with these drawings.

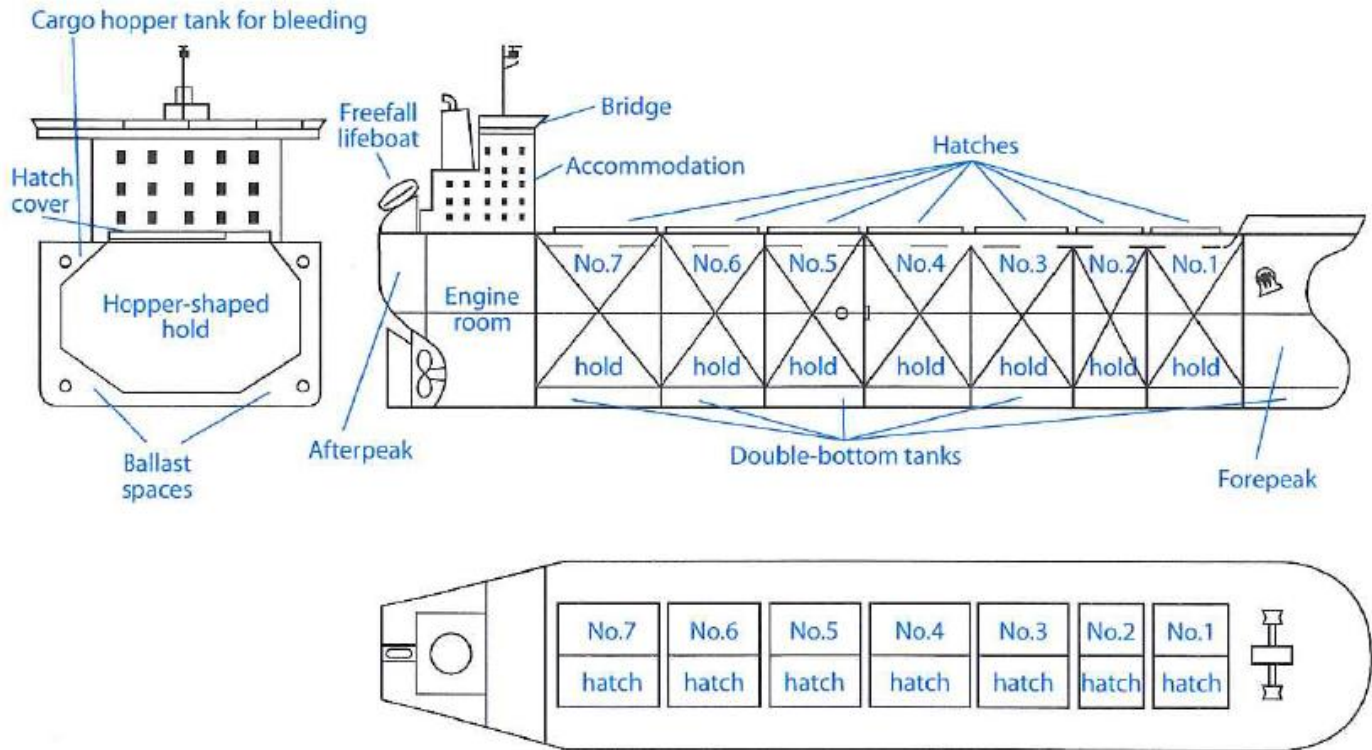
In order to achieve marks in this question, a profile and cross section of the chosen vessel had to be drawn with all relevant features labelled. In addition two trade routes should have been described with basic detail eg loading Puerto Drummond discharging Rotterdam. There were only a few marks available if students only drew the routes as the question said "describe".

There were additional marks for realistic dimensions with large, clear diagrams. There were also additional marks for description of the routes beyond load and discharge port eg for including routeing and weather.

Major Coal Trade Routes



PANAMAX Ship Drawing



Question 2

Laytime is also core fundamental of the Dry Cargo Chartering syllabus. In order to gain marks in this question the three terms had to be correctly explained and at least one clause should have been drafted.

So for NOR, students needed to mention; Notice of Readiness, vessel is physically capable of performing cargo operations, for Laytime to commence NOR must be tendered, NOR can only be tendered in accordance with contract requirement.

For Interruptions, the explanation should have included some of the following points; Once laytime commenced, unless cargo handling equipment breaks down, will continue unhindered until completion of cargo operations, or until laytime expires or demurrage commences, Contracts frequently include express clauses interrupting laytime in the event of: Weekends & holidays - explanation of shinc and shex, shifting between berths, Bad weather – mention of weather working days, Strikes and Breakdowns

For Demurrage and despatch it needed; Demurrage occurs when all permitted laytime used before completion of cargo operations, Address and brokerage usually deducted, Once laytime used, demurrage usually runs continuously unless contract states otherwise, Despatch occurs vessel completes cargo operations within available laytime

The explanation of Reversible should have had; Allowance for both loading and discharging ports are added and calculated together, "all purposes" or "total" days, "saved" laytime at load port carried forward.

Additional marks were available for all main points with well drafted clauses. It should be noted that if an examiner asks for a number of terms to be explained, in this case three out of four, they will not mark anything in excess of that. So students explaining all four terms were not gaining any marks for the explanation of the fourth term.

Question 3

This type of question frequently appears in the Dry Cargo Chartering examinations. The map is used only to 'support' the answer as the main question says 'describe' the routes. In order to gain marks students needed to include at least two trade route descriptions per commodity. This meant not just drawing lines on map or a listing countries/ports of import and export but actually describing the route. For example, loading coal in Colombia, with a transatlantic crossing to discharge Rotterdam. They also needed at least one comment each on stowage, carriage, hazards and cargo characteristics.

Further marks were available for extra comments on stowage, carriage etc and for discussing weather patterns around routing. There were also marks for annotated maps (not just drawing lines).

Question 4

In order to gain marks in this question, firstly the answer should be in the form of a message and the term 'claused' should have been explained. There should be reference to the fact that agreeing to sign a clean bill of lading would be fraud (technical or otherwise).

The explanation of the functions of the bill of lading, particularly receipt and document of title, should be used in the context to explain why this is fraud. There were no marks available for simply stating the functions without demonstrating understanding. Also a sensible suggestion of why the request is made should have been included. Additional marks for the discussion of the problems of agreeing would have been given if answer included; owners being open to claim if not as per "receipt", the effects on insurance, no P&I cover, non-enforceability of letter of indemnity.

Question 5

In order to gain marks the offer had to include the following main elements : Charterer, name & description of vessel, Time and Place for reply, Cargo description size and margin, Rate, Load / Discharge, Laycan, Laytime terms, Demurrage/Despatch, % brokerage, Subject c/p.

The estimate had to include all the main points to reach an answer. This means that students had to show their calculations. It was important to show how sea and port time are calculated and purely to include a ballast leg in the calculations.

This question is not purely about getting the correct answer, it is about demonstrating an understanding as to how a voyage estimate is put together.

Additional marks were available if the offer had been expanded beyond the basic elements and the estimate showed all workings. High marks were gained by having the offer and estimate laid out neatly and in logical order.

Question 6

In order to gain marks the answer should firstly be in the form of a letter, it should explain why classification societies exist and how they set the "rules" for the construction of ships. The answer should also mention at least four main certificates and discuss surveys.

There were additional marks for discussing IACS and a full range of certificates, not just listing them. There were also additional marks for a well written essay with all main points leading to sensible advice.

Question 7

In order to gain marks students had to discuss the current market situation including tonnage availability and cargo demand. They needed to also discuss the supply and demand forecast and make a sensible argument from these predictions. There were additional marks for a discussion of the orderbook, (not necessarily exact figures) but the correct order of magnitude, and the use of sensible data rather than completely imaginary.

Question 8

To gain marks students needed to mention the Seaway Max vessel or even Ice clauses, along with mention of the need for additional insurance in winter for breaching IWL. They also needed to describe at least two trade routes in basic detail ie Loading A, transiting B, discharging C. and there were additional marks for extra comments on routing and weather

There were extra marks for mentioning that if trading to Churchill, Manitoba on Hudson Bay then the vessel would need to comply with IMO Polar Code in 2017/18.