

**NAROTTAM MORARJEE INSTITUTE OF SHIPPING
MUMBAI**

Examination Paper – March 2020

Fellowship/Post Graduate Diploma in Shipping Management – Final Year

LAW OF SEA TRANSPORT

07.03.2020

Total 100 Marks

Time: 3 Hours.

Note: Attempt any FIVE questions. All questions carry equal marks.

1. What is the contract of Affreightment? Analyze the 'Speed and Consumption clauses', 'Delivery clauses' & 'Paramount Clauses' of time charter parties
2. Discuss the functions of a Bill of Lading as 'Document of Title' and 'Quasi Negotiable Instrument'.
3. Compare and contrast Hague, Hague Visby and Hamburg Rules.
4. Discuss carrier's obligation concerning 'Care of Cargo' under Hague Visby Rules.
5. Discuss various provisions under MMT Act concerning 'Regulation of Multimodal Transportation'.
6. What is General Average? Discuss the conditions under which General Average contribution can be claimed giving examples of sacrifice and expenditure.
7. Discuss development of SCOPIC and explain the advantages and disadvantages of SCOPIC to Salvors and the Ship Owners.
8. Write a note on the International Convention on the Establishment of an International Fund for Oil Pollution.

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Fellowship / Post Graduate Diploma in Shipping Management – Final year

Part – I Shipping Economics

Date: 08.03.2020

Time – 1 ½ Hr

(50 Marks)

Answer to questions Part I and Part II should be written in separate Answer books.

Answer any four questions. All questions carry 12 ½ marks each.

Q1) Write a brief on Norwegian Saleform.

Q2) Differentiate -

- a) Voyage accounts and Voyage estimate
- b) Tonnage tax and corporate tax system
- c) CAPEX and OPEX

Q3) a) State the reasons necessitating laying up of ship.
b) Outline the procedures of laying up a ship.
c) Is laying up a cost control tool? Explain

Q4) Economists often refer to Tankers and Dry Bulk Markets as 'Perfectly Competitive'. Discuss the validity of this statement.

Q5) Draw up time charter final accounts for -

A) Vessel details : - MV Double Horse, DWT: 59941 MT Flag – Liberia, 5 holds / hatches geared bulk carrier, speed 13.5 Knots, Fuel consumption – HO : 30 T tons /day. Charter-hire: USD. 10,000 PDPR.

B) Charter-party details:

Bunkers: The charterers on delivery and owners on re-delivery, shall take over and pay for all fuel remaining on board the vessel as hereunder. The vessel shall be delivered/ redelivered with sufficient bunkers on board so as to reach the nearest bunkering port . Bunker rates for HO is USD. 400/- on delivery and USD. 415/- on re-delivery.

On-off hire Survey:

On-hire survey shall be on charterers time and off-hire survey shall be on owner's time.

Cash advances –

Cash for ship's disbursement may be advanced by the charter subject to 2.5% commission.

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Supercargo -

Accommodation and food may be provided to the super cargo for which charterer may be charged at the rate of USD. 100 per day. Further charterer shall pay for the meals taken by them or their agents etc. at the rate of USD. 10 per meal.

Crew overtime -

In lieu of any overtime paid for the work ordered by the charterer, the charterer shall pay the owners USD. 1000 per month.

Clearing of holds -

The charterer shall provide and pay extra for cleaning of holds between voyages. If this is done by the ship's crew the owner shall be entitled for an amount of USD. 750 per hold.

Speed and consumption -

The owner's warrant that the vessel is capable for maintaining a speed of 13.5 knots in good weather conditions at BF4 with bunker consumption of 30 MT per day. Owners to pay for any under performance of the vessel.

C) Statement of facts

- 1) Delivery passing Colombo on 2-1-2018 / 0600 hours , bunkers ROB 280 MT On hire survey was carried out at Kochi on 4-1-2018 from 1000 hrs to 1200 hrs.
- 2) Redelivery - DLOSP Singapore on 23-7-2018 / 0600 hrs, bunkers ROB 390 MT . Off hire survey was carried out at Singapore on 22-7-2018 from 0900 hrs to 1100 hrs.

3) Off-hire periods

12-2-2018	Main Engine break down	6.5 hours
2-5-2018	Delay for safe construction certificate	17.5 hours
5-5-2018	Repair to fresh water generator	22 hours
Total fuel consumptions during these periods - 10 MT (applicable Ho price USD. 400 PMT)		

- 4) Time lost due to speed less than 13.5 knots: 28 hours
Extra fuel consumed : 15 MT (applicable Ho price USD. 400 PMT)
- 5) Advance cash made by the charterer to master on 26-2-2018 at Dampier USD. 25000/-
- 6) All cargo holds were cleaned six times by the crew during the period of charter.
- 7) Capt Rhombus , super cargo sailed on the vessel for about 15 days
- 8) Meals take by the Super cargo and charterer's representatives : 60 meals
- 9) Charter hire already paid @10000/- in advance - Total 13 payments made (of 15 days each)

-END-

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Examination Paper – March 2020

Fellowship / Post Graduate Diploma in Shipping Management – Final year (Old Syllabus)

Fellowship / Post Graduate Diploma in Shipping Management & Logistics – Final year
(New Syllabus)

SHIPPING FINANCE

08.03.2020

Total 50 Marks

Time: 1½ Hours.

Students enrolled before April 2019 to answer Section A & Section C

Students enrolled after April 2019 to answer Section A & Section B

Question No. 1 is compulsory

Answer any 3 other questions from Section A

Answer any 1 question from Section B

Answer any 1 question from Section C

Section A

1. Explain "Investment Funds" and "Borrowed Funds" as source of funding for shipping companies.
2. Write a note on Debt Finance.
3. Discuss "Bill of Exchange" and "Letter of Credit". What is "Payment risk" and "Delivery Risk" with reference to Letters of Credit.
4. Write short notes on (a) Role of Banks in funding ship acquisitions (b) Risk mitigation
5. Discuss Balance of Payments and Balance of Trade.

Section B

6. What are the special features of international financial markets?
7. What are the contributions of international financial markets to international trade and finance?

Section C

8. Write a note on (a) East Asian Financial Crisis (b) Basel Committee on Banking supervision.
9. Explain the role of "EXIM Bank of India".

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Examination Paper – March 2020

Fellowship / Post Graduate Diploma in Shipping Management – Final year (Old Syllabus)

Fellowship / Post Graduate Diploma in Shipping Management & Logistics – Final year
(New Syllabus)

Subject – Risk Management & Marine Insurance

14.03.2020

Total 100 Marks

Time: 3 Hours.

(Theory answers to be brief and to the point)

Students enrolled before April 2019 to answer Section A & Section C

Students enrolled after April 2019 to answer Section A & Section B

Question No. 1 is compulsory

Answer any 3 questions, including Qu. 1 from Section A

Answer any 1 other question from Section B

Answer any 1 question from Section C

Section A

Q1. Study the following situations carefully and answer in at least FIVE lines. Marks will be awarded on the basis of the clarity of thought and reasoning: (5*4=20)

- a) 'A', an exporter of garments from India, is sending a container to a buyer 'B' in USA. As per the terms of sale, 'A' has to insure the consignment. The shipping line requires the freight to be pre-paid. Who will carry the risk of the pre-paid freight and how can that party insure this risk?
- b) A Vessel has H&M policy with a deductible of 100,000 \$. The insured value of the vessel is 10,000,000\$. During the voyage the vessel is extensively damaged after an accident and is declared constructive total loss. The ship owner will receive 9,900,000\$ from the insurance as a settlement of claim. Discuss this situation.
- c) A cargo is scheduled to be transported from Germany to India. The seller will insure the consignment till a pre-agreed point and thereafter the buyer will be insuring this cargo. Can and how will this be done?
- d) An exporter of garments is sending a large consignment of readymade garments to a buyer. As per the contract of sale, the seller needs to insure the cargo. The seller is confused if he should insure with ICC (A); ICC (B); or ICC (C) clauses. Briefly advise the seller.

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- e) A large bulk carrier is in ballast and has engine breakdown during a voyage when the ship is passing near an island. The Master drops an anchor so that the drifting ship does not run aground. The vessel is saved and in the meanwhile the engine starts and the ship continues on its original voyage. In this process the ship lost the anchor. Explain if general average be claimed?

Q. 2.

- a) What is the relation between general average and insurance? What is the role of York Antwerp Rules? (5)
- b) A ship valued at 5,000,000 \$ sailed from a port X and carried three cargo consignments A, B, and C valued at 900,000; 700,000 and 200,000 \$ respectively. During the voyage the ship accidentally ran aground causing the damage to the ship worth 325,000. For saving the adventure cargo B worth of 300,000 had to be jettisoned. The salvage company was involved and its charges were 250,000. These operations resulted in saving the voyage. The vessel was on time charter and the value of the bunkers at port X was 120,000 \$. During the sailing from port X till accident bunkers worth 45,000 \$ were consumed. Calculate

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|------|--|-----|
| i. | Total amount of GA | (3) |
| ii. | Contributing values of all interests | (5) |
| iii. | Amount of GA contributed by each interest. | (7) |

Q. 3. Explain salient points of the Collision Liability clause under Institute Time Clauses (Hull), 1.10.1983. (5)

- a) Vessel 'A' collides with vessel 'B'. As a consequence, following damages occurred:

	A	B
Damage to ship	1,000,000	2,000,000
Deductible H&M	50,000	150,000
Deductible P&I	10,000	40,000
Blame	40%	60%
Insured value	5,000,000	10,000,000

- | | |
|--|-----|
| (i) Calculate the total collision liabilities of both ships. | (3) |
| (ii) Calculate final amount of settlement for both hull insurers | (4) |
| (iii) Calculate the final amount of P&I clubs of both ships | (4) |
| (iii) Calculate the amount that would be paid personally by owners of both ships | (4) |

PTO

Q4.

- a) All risks are covered in ICC (A) cargo insurance clauses – discuss this statement with examples. (14)

- b) Explain the term 'sue and labour' in relation with the cargo insurance. (6)

Q5. Write short notes on any FOUR of the following: (20)

- a) Warranties
- b) Constructive total loss
- c) Indemnity
- d) International Pool of P&I Clubs
- e) Risk retention

Section B

Q6.

- a) Why is salvage act done and who pays for the salvage? (10)
- b) Explain the two types of salvage. Which document is used as an agreement of salvage? What are the salient points of this document? (10)

Q7.

- a) Theta Corp. is a large NVOCC moving containers around the world. List two liabilities that can be on Theta Corp. Can it join a P and I Club to cover these liabilities? (10)
- b) Explain the different risks that may be on different parties engaged in multimodal operations. How can these be insured? (10)

Section C

Q8.

- a) Explain the process of Risk Management. (14)
- b) What is Formal Safety Assessment? (6)

Q9.

- a) Explain, with examples, the contractual and tort of liabilities of a ship owner. How does he insure these? (10)
- b) Explain the principle of subrogation with example. (10)

**NAROTTAM MORARJEE INSTITUTE OF SHIPPING
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Examination Paper – March 2020

Fellowship / Post Graduate Diploma in Shipping Management – Final year

Subject – LINER TRADE & MULTIMODAL TRANSPORT

15.03.2020

Total 100 Marks

Time: 3 Hours.

(Theory answers to be brief and to the point)

NOTE: ANSWER ANY FIVE QUESTIONS. ALL QUESTIONS CARRY EQUAL MARKS

1. Explain the DIFFERENCE between Mother vessel v/s Feeder Vessel. List down the reasons of having a TRANSHIPMENT HUB.
(20 Marks)
2. Explain the Objectives of the IMDG Code. List down the various classes of the IMDG Code.
(20 Marks)
3. Explain the following CHARGES of LINER TARIFF in detail.
(a) FREIGHT FORWARDER (b) CUSTOM BROKER
(c) MULTI-MODAL TRANSPORT OPERATOR (d) CHARTERER
(5 x 4 = 20 Marks)
4. Explain in detail the features of LINER SHIPPING. LIST the 3 broad categories of LINER SHIPPING.
(20 Marks)
5. Explain "HUB & SPOKE" in Liner Shipping. List down the ADVANTAGES and DISADVANTAGES OF HUB-AND-SPOKE.
(20 Marks)
6. Explain the advantages of operating in Alliances and VSA (Vessel Sharing Agreement) in LINER TRADE. List down 5 Alliances / VSA which are currently operated on various trades in INDIA.
(20 Marks)
7. Explain the duties & responsibility of a Liner agent as per SLAA (Standard Liner Agency Agreement)
(20 Marks)
8. List down THREE types of Container LEASING AGREEMENTS. List atleast FIVE major container leasing companies
(20 Marks)
