

NAROTTAM MORARJEE INSTITUTE OF SHIPPING



Main + No. of Supplement = 4

Candidate's Roll No. _____

MUMBAI

Examination :- June 2nd year FIRST YR./ FINAL YR./ ASSOCIATESHIP / FELLOWSHIP

Month June Year 20 25 TOTAL MARKS

Subject Linear Trade and Multimodal transport Kadab

Q	1	2	3	4	5	6	7	8	9	10	11	12	Total
M	9.5	15	15.5 15.5	15	15.5	-	-						70.5

WRITE BELOW

Q.1. Answer.

a. 1. Container shipping means transporting of cargo from one place to another place via Sea, where cargoes are stuffed inside the containers.

2. Due to Globalisation, shipping Industry has emerged and which in turn led to the transportation of goods right from the warehouse of the shipper to the final place of delivery i.e. Warehouse / factory of consignee.

3. Hub means the port is the direct port from which the containers are loaded and further discharged to the destination port.

It is the main port from where the containers are loaded for the destined port.

4. Spokes means the place other than sea port i.e. the place of factory place of acceptance from shipper to the place of delivery of Buyer.

5. From Hub ports, further goods are shipped to their designated delivery places via railway, road or barge service.

6. With the help of ICD / CFS, go containers are further shipped to their destination.

7. This is like a bicycle, where all the the strings are final attached to the main Hub points.

b. 1. Port is the place where the vessel arrives for loading or discharging of the cargo.

2. Container terminal is the place, where where loading of containers in the designated ship and discharging of containers on the planner ship takes place.

3. Every terminal has different rules and regulations and the vessel operators has given specific time for the loading / discharging of the containers as per the agreed time/period.

4. Container Terminals has also led to the employment in the which led to the increase in the GDP of the country.

5. Hence, new ports - container terminal will benefit the our country leading to the ~~infrastructure~~ infrastructural development of country.

6. Adani port in India which is planned near Uran will generate more revenue in next few years.

C. Export means goods / services going outside the country.

2. Export of the container or leads to the globalisation where the shipper has a chance to enter in the international market.

Below is the export cycle of a container.

1. Empty container is picked up by the freight forwarder or direct shipper from the allotted yard.

2. Post container pickup, the cargo will be stuffed inside the container post checking of the container in the factory of the shipper or in the ICD.

3. Post stuffing of the container, excise officer will visit and allot excise seal.

4. Container is further taken to the CFS for custom clearance for export purpose.

5. Proper custom clearance is done and then custom officer shall provide custom seal to the transporter.

6. After all custom examination and payment settlement, container is taken to the Container Yard, ^{post gate in} from ICD / CFS for loading purpose as per cutoff.

7. Container shall be arranged as per the ~~for~~ port of destination post-gate in as per cutoff.

8. After all the above process, container is further loaded onto the vessel.

- d. 1. Shipping is the growing sector as it is the cheapest form of transporting the cargo from one place to another place.
2. It has contributed to the globalisation which has in turn given profit in the trade.
3. Global shipping gives ^{opportunity} to small sector industries to enter in the international market, however as they are small in size, ^{in front of} the big bull companies, big companies ~~are~~ acquire or won't give chance to enter in market.
4. As there is lot of money in shipping, everyone in the sector wants to enter the market which is the main risk as it leads to the highest competition.
5. Due to the ongoing war between Iran and Gulf countries i.e. Israel, led to the increase in the price of oil which in turn will be the challenge for the Global Shipping Industry to survive.
6. India-Pakistan trade restrictions has also led ^{difficulties} to many vessel operators to transit between both countries.
7. Red sea issues has not yet resolved and hence vessels are taking the round voyage route via capes which has led to more transit time which has further lead to more bunkering cost.
8. Due to high competition in the market and more options to transit via route, freight has fall badly which led to less profits.

9. Insurance has become costlier due to the war-like conditions in the international market

10. Ukraine - Russia war, Iran - Israel war has overall affected the global economy. ✗

11. Piracy or theft ^{by Houthis} has led to the severe issue which in turn not only shipping shipper are reluctant to export cargoes to the respective desired ports.

Q.2

a. Storage -

1. Every shipping companies has their own freetime at port of loading or port of discharge. &

2. Freetime varies from port to port as it cannot be same through out the world.

3. Storage charges means the charges for not returning the container within the freetime in import cycle as per the port's freetime as it ~~takes~~ occupies the space of the terminal.

4. Port charges these storage charges to the shipping line further same is billed back to the shipper.

5. In export, if the container has gated in container early and the freetime at port is over, than same is liable for any additional ^{storage} charges, for storing the container in the yard.

6. It is the time when the contain gets discharged and same is further taken to the yard for the pickup however if pickup of container is not made within freetime than storage as per port is applicable and which in turn is the ~~&~~ additional revenue of the port.

b. Detention

1. Detention of the container is the additional remuneration of any shipping line or NVOCC.

2. Detention means detaining the container by the shipper or buyer more than the agreed freetime.

3 Every shipping line gives freetime for every shipment and same may vary port to port.

4. In export shipment, the shipper should pickup the container and gate in the container as per the freetime, and additional days taken beyond the freetime will be detention for utilising the container more than agreed freetime.

5. ~~It~~ same ~~go~~ applies to the Import shipment, where the ~~cons~~ consignee is given freetime and the clock starts right from container discharge till the time empty container returned back to the yard.

6 Hence, it is ~~sto~~ said that- if the container lies with the shipper / consignee, he is willing to pay detention which is overall the profit of the shipping company.

c. Tri-AXLE surcharge

1. Surcharge means the additional tariff which is applied over and above the fixed tariff.

2. When there is fixed weight limitation to carry the cargo via road into specific sector as same cannot be carried even if it is less than the payload capacity.

3. If consignee has requested to carry the container, then it requires special truck arrangement with Tri-Axle where container is loaded and the cargo is evenly distributed so that it can be transported to the required area.

4. For above type of arrangement shipping companies ~~levies~~ levied charges additional tariff which is above than the agreed tariff.

5. One can visit the website of the shipping line to know the additional surcharges and weight limitation.

6. Here additional USD 300 is applicable above the agreed tariff.

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Month June Year 20 25

Subject Liner Trade and multi-modal ^{Port} transport

WRITE BELOW

30/06/25

d. Demurrage

1. Demurrage means the ^{additional charges for} time taken by the customer at the port [^] over and above the port free time.

2 Every port allots their freetime to the customer and customer are further requested to collect the container from terminal and ~~return the same~~ within the allotted freetime.

3. Post container discharge, the containers are taken to the nearest container yard where consignee should come and collect the same. If same is not collected, then port charges demurrage per day to the consignee.

4 Post inspection, container is taken to the dock ~~fact~~ dry dock area for the storage of container ~~or~~ where consignee can desuff. the cargo or take the container out to their factory.

5 But IF consignee is doing above activity post free time, then he is liable for demurrage which is nothing but the charges ^{levied by port} for not collecting the container within freetime.

6 It is the charges for utilizing the space of the terminal. for additional time.

Q3.

1. a. FEU

✓ Forty Equivalent Unit

b LCL

✓ Less Container load

⑥ c. HBL

✓ House Bill of lading

d. DPP

✓ Delivery Duty Paid

e. MSDs

✓ Material safety Data sheet

f. FIFO

✓ First in first out

2. a. Terminal Handling charge.

1. Terminal Handling charges (THC) means the charges that is levied by the terminal for handling the container at the container Terminal

2. THC is different for any ports all over the port.

3. It is the compulsory charge which is payable at loadport & discharge port by the concerned interest for utilizing the terminal equipment for the purpose of loading and discharging of the container

4. Terminal Handling charge is collected by the agent/Carrier on behalf of principal.

5. For the exporting goods charges are been collected while issuing bill of lading to the customer.

6. THC should be on ~~pre~~ prepaid basis and payable at load port but subject to some exclusions where it is paid ~~out~~ by buyer.

7. THC is paid by seller to the shipping line which is further payable to the terminal.

8. If multimodal transport is included than it is paid at the place from where bill of lading is issued to the customer.

9. THC i.e. Terminal Handling Charges is also applicable ~~at~~ for Import and same is collected by the Agent/principal at destination while issuing Delivery order to the consignee.

c. Inter Terminal Transfer

(5) 1. Inter Terminal transfer means transferring the container within the terminal of the ports.

2. It is a type of transport where ~~two~~ containers are transported from one terminal to other terminal.

3. This might be the case where container has gated in Terminal BMCT in Mumbai.

However ~~with~~ vessel is omitting BRCT terminal and calling INPT terminal for loading purpose.

In the above scenario, the container should be transported from BRCT to INPT terminal if to get loaded on the planned vessel.

4. Since, due to port omission containers were transferred from one terminal to another terminal, Hence any related charges due to ITT will be on Shipping Line Account.

5. If customer gate in the container in wrong terminal due to his mistake than any ITT ~~charges~~ charges will be paid by Consignee.

6. At Mumbai (Nhava sheva) there are total 5 terminals.

BMCT, INPT, NSICT, NSIGT, GTI

7. Transferring the ~~contac~~ containers

In above or any other terminals of the same port is called as Inter Terminal Transfer.

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Month June Year 20 25

Subject Liner Trade and Multimodal Transport

WRITE BELOW

Q.4. Duties and responsibility of liner Agent-

1. ~~1. 1st~~

Liner Agent is the agent who takes the duties and responsibility of the principal.

2. ~~He is a~~ Liner Agent is the one who acts on behalf of the principal.

3. He acts like an owner and complete the activities which needs to be performed by principal.

4. Liner Agent plays an important role, as ~~not~~ he is having the complete knowledge about the market and shipowner will find it difficult to understand and manage the business.

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Duties of a Liner Agent

1. Liner Agent should collect the market information and should utilize the space of the vessel to the utmost level.

2. Liner Agent should create a branding image of the shipping line in the market.

3. Arrange for the cargoes for the purpose of exporting.

4. Should attend periodic conference or meeting the customers.

5. ~~Be~~ Publishing in the newsletters.

6. Attracting new customers on board.

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7. Settlement of any port-dues
8. Approaching terminal for berthing window approval
9. Settlement of any charges related to the port or terminals which might will get further reimbursed from principal
10. Attending exhibitions
11. Signing the bill of Lading on behalf of the master who works on behalf of principal
12. Collecting the payment from ~~cons~~ customer in the form of freight and thereby issuing the BL to the correct party.
13. Agent should look after that the vessel is booked as per the allocation of the space availability.
14. Issuing Invoicing or other related documents of shipping to the customer.
15. Filing the manifest within the time frame i.e. post vessel sailing for export and before vessel arrival for imports.

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Responsibilities of Liner Agent

1. Payment of Government Taxes, Lighthouse due - Rs 8 ^{NRT} ~~NET~~
1. Liner Agent is responsible for all the act that is exhibited ~~in the subject~~ on the behalf of the owner.
2. Periodic log books which states the review of total containers exported or imported

3. Agent is himself responsible IF anything is not disclosed to the Shipowner.

4. Agent shall provide ~~the~~ Dangerous goods details well in advance to the port for the manifest related.

5. Export General Manifest should be filed for the shipments post-vessel sailing.

6. Import General Manifest should be filed for import shipment before the arrival.

7. Agent can act as a agent to other principal as well but however it is suggested to be loyal to one principal.

8. Agent should not disclose any private information which is known to agent to any other ~~age~~ principals.

9. Agent should check with terminal for move related count or berthing window.

10. Agent should arrange for any terminal related equipment (tug boats, cranes, etc)

11. Agent should arrange for stevedores as well.

12. Agent should provide proper report to the principal with regards to financial related matters.

13. Agent should deal with respective Authorities like health Authority - for Health certificate, Immigration Authority for clearing the Immigration, Custom Authority for customs certificate.

Q.5 1. LCL means Less container load

It is term in shipping which explains that only little or less position ^{space} is required in the container

2. FCL means full container load where container is loaded or stuffed ~~as per~~ fully but within the payload capacity of container

3. ~~Let~~ In LCL, Cargo is stuffed either at ICD or CFS and here the liability is on shipping line as line has calculation of quantity loaded and quality of the cargo

4. In FCL, Cargo is ~~stuff~~ stuffed at the consignee's warehouse / ICD, and same is updated in BL with states as 'STC - said to contain' and shipping line has no knowledge or exact knowledge of the cargo which is stuffed in terms of quality, quantity, description.

5. All the related information which is relating to the cargo ~~detail~~ is updated on B/L and carrier has no right / liability in the case of cargo misplacement or damage of the container

6. Many shipping companies only accept FCL containers in order to avoid any claim related to the destroy of the cargo.

7. For LCL, freight forwarder will issue house bill of lading to respective interest and he will collect the Master Bill of Lading from line

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Subject Liner Trade and Multimodal Transport 24/30/6

WRITE BELOW

a. FCL - FCL

1. Full container Load - Full contain Load.
It means that the cargo loaded belongs to the single shipper and same is transported to the destination country to the single consignee.

The complete cargo belongs to the shipper and consignee wholly.

e.g. Asba^{Ltd} is the supplier, exporting sugar at the Dubai to the consignee Sugar Limited.

Here Asba Ltd is the single seller and Sugar Ltd is the single buyer.

b. FCL - LCL

Full contain Load - Less container Load.

It means the cargo loaded/~~int~~ stuffed inside the container belongs to the one seller and but same is destined at destination to ~~more~~ many buyers.

For forwarder shall takes master Bill of Lading from Line and the ^{forwarder} agent at destination will de-stuff the cargo and allot the cargo to their respective consignees as per House Bill of Lading.

e.g Asba Ltd has exported sugar from India to the multiple consignees at Qatar named Sugar Ltd, Sammy Sugar Ltd, Annie mill Ltd.

1 seller - Asba Ltd.

multiple buyer - sugar Ltd, sammy sugar Ltd, Annie mill Ltd.

c. LCL - FCL

Less container Load - Full container Load

It means the conside box is ~~stuck~~ stuffed i.e. cargo ~~is~~ stuffed that belongs to many shipper however the consignee at destination is the single buyer

e.g Manu clothing Ltd, lenskart- Factory Ltd, Zudio, Hellman clothes Ltd, has stuffed all their clothing in a single container and transported at destination to a sole buyer - Pantaloon.

Multiple seller - Manu clothing Ltd, lenskart, Zudio, Hellman Ltd.

Single buyer - Pantaloon.

d. LCL - LCL

Less Container Load - Less container load

The container is the conside box where more than one shippers cargo ~~also~~ was consolidated ~~with~~ and exported to the destination for many buyers at destination.

e.g. Many Ltd ^{exports clothes}, Manglu Ltd exported sugar, Shreya Ltd has exported pipes to their consignee at destination importing clothes ^{to} Shwetha Ltd, sugar ^{to} TATA Ltd and pipes ^{to} Indo pipe Ltd.

Many shippers exporting goods to consignee

Many buyers importing goods from seller

In short, ~~the~~ LCL is used by the interest party when he is not willing to use the complete space of the container and cost of the container. Hence, related cost also gets divided within the consignor parties.

~~Freight Forwarders~~ plays an important role in LCL shipments where he takes/collects the cargo from exporter and stuffs the same and exports at destination. At destination, his agent will collect the delivery order from Line and distribute the cargo as per HBL.