NAROTTAM MORARJEE INSTITUTE OF SHIPPING
MUMBAI

Examination Paper – June/July 2026

FELLOWSHIP/ADVANCE DIPLOMA IN SHIPPING MANAGEMENT & LOGISTICS

Subject – Risk Management & Marine Insurance

27.06.2026 **Total 80 Marks** **Time: 3 Hours.**

Instructions: The answers should be brief and to the point. All questions carry 16 marks.
Question No. 1 is compulsory
Answer any other FOUR questions. (Total five questions have to be attempted – any additional questions attempted will not be considered)

Qu. 1 Answer the following questions in at least FIVE lines. Marks will be awarded on the basis of the clarity of thought and reasoning: **[4 marks each = 16]**

(a) A consignment of high value goods is being sent to the buyer. Suggest which of the clauses from ICC (A); ICC (B); or ICC (C) should be used for insuring the cargo and why?
(b) A ship ran aground and had extensive bottom damage. The ship was insured under ITC (Hulls), 1.10.83 clauses. What could be the proximate cause of the damage which is included in the risks covered so that the ship owner could claim from the insurance company for the damage? You need to select a reason from the 'Risks Covered Clause' of the referred clauses.
(c) A ship owner has insured his ship under the Institute Time Clauses (Hull) 1.10.1983. The ship while near the Persian Gulf was damaged by a drone attack. Can the cost of repairing the ship be recovered by the ship owner from his H&M insurance co?
(d) A ship was insured on 1 January for 12 months with an insured value of 10 million $. The ship unfortunately becomes an actual total loss on 30 June of the same year. The insurance co. wants to pay 10 million $ less deductible. Should the ship owner accept this settlement?

Qu. 2 (a) Explain general average. **[4]**
(b) A general cargo ship valued at 4 million USD encountered serious cargo fire in one of its cargo holds. At the time the vessel had four cargoes A; B; C; and D valued at 1,500,000; 100,000; 500,000 and 100,000 respectively. Cargoes A and C were partially damaged due to fire and the extent of damage was estimated to be 40,000 and 30,000 respectively. Cargo D was totally lost due to fire. The charges for the firefighting tugs paid by the ship owner were 160,000. While fighting fire cargo B was damaged to the extent of 40,000. The damage due to cutting the bulkhead in a ship so that the firefighting team could reach the seat of fire was repaired at 10,000. Calculate:
(i) Total amount of GA **[2]**
(ii) Contributory values of all the properties **[5]**
(iii) Amount of GA contributed by each interest **[5]**

Qu. 3 (a) Institute Cargo Clauses (A), 1.10.82. are referred to as 'All Risks Covered'. Discuss, with examples some situations when the cargo damage may not be covered. **[8]**

(b) A cargo consignment is insured under ICC (A) 1.10.1982. The cargo is loaded on a truck, and the truck is parked in the factory and was scheduled to leave next morning. In the night the cargo was damaged by fire. Will the loss be covered by cargo insurance? **[8]**

Qu. 4

(a) What is the role of the correspondents of the P&I Clubs? **[3]**

(b) What is the International Group of P&I Clubs and what does it do **[3]**

(c) A ship owner has purchased a new ship and wants to insure the third party liabilities. Explain any five such liabilities, including the mandatory ones, which should be insured. Selected liabilities must be clearly different from each other. **[10]**

Qu. 5

(a) Explain the principle of subrogation with an example from shipping operation. **[8]**

(b) Explain the differences between pure and speculative risks? **[8]**

Qu. 6

(a) What is Collision Liability of a ship owner (not the collision liability clause)? **[2]**

(b) Vessels A and B collided, and both were damaged. Vessel A was held responsible for 70% and vessel B for 30%. The damage on A and B was 1,200,000 and 3,500,000 respectively. The deductibles for the hull policies are 80,000 and 50,000; as well as for the P&I policies 12,000 and 16,000 respectively.

i. Calculate the collision liabilities of both ships. **[2]**

ii. Calculate the amount payable under the Hull & Machinery policy of both ships. **[4]**

iii. Calculate the amount payable under the P&I policy of both ships. **[4]**

iv. What is the amount that would be borne by the two shipowners? **[4]**

Qu. 7

Write short notes on any FOUR **[4*4 = 16]**

(a) Constructive Total Loss

(b) Mutual insurance

(c) Reinsurance

(d) Risk Covered clause

(e) Risk transfer

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Examination Paper – June/July 2026

FELLOWSHIP/ADVANCE DIPLOMA IN SHIPPING MANAGEMENT & LOGISTICS

Subject – Chartering

28.06.2026 **Total 80 Marks** **Time: 3 Hours.**

Instructions

1. **Q6 and Q7 are compulsory.**
2. **Answer any THREE questions from Q1 to Q5.**
3. **All questions carry equal marks (16 marks each).**
4. **Candidates must answer each question completely in one place. Do not split answers across different sections or pages.**

Q1. a) Define and explain ANY FOUR of the following. Use suitable examples to support your answer.

1. P&I Bunkering Clause
2. Cross Trade
3. Ballast Bonus
4. Variable Rate Differential (VRD)
5. Indefinite Laytime **(4 × 2 Marks)**

b) Give full form and explain each of the chartering abbreviation Answer ANY FOUR.

1. FIOST
2. MOLCHOPT
3. WIBON
4. NAABSA
5. BBB **(4 × 2 Marks)**

Q2. Answer briefly (ANY FOUR)

i. **Discuss the differences between Voyage Charter, Time Charter, and Bareboat Charter. Explain the allocation of costs, responsibilities, and risks between Owner and Charterer under each type of charter.**
ii. **What are the key clauses contained in a Charter Party agreement? Explain the significance of clauses relating to hire, laytime, demurrage, off-hire, and cancellation.**
iii. **The role of a Shipbroker is critical in the successful conclusion of a chartering fixture. Explain the functions and responsibilities of a shipbroker during pre-fixture and post-fixture stages.**
iv. **Freight market conditions are influenced by various economic, political, and operational factors. Discuss the major factors affecting tanker and dry bulk freight rates in international shipping.**
v. A Charterer may choose a Contract of Affreightment (COA) instead of fixing vessels on the spot market. Explain the commercial advantages and limitations of a COA.
(4 × 4 Marks)

Q3. a) Differentiate between (ANY TWO)

i) Period Charter and Bare Boat Charter
ii) SHEX EIU and SHEX UU IUATC
iii) WTS and ATS

(2 × 4 Marks)

b) Write short notes on (ANY TWO)

i) AFRA
ii) Baltic Indices
iii) Stowage Factor

(2 × 4 Marks)

Q4. a) Answer BOTH parts of the question. (Candidates may make reasonable assumptions.)

Draft a firm offer for below enquiry -

50k + 10% Steam coal
LD 1 SA Taboneo,south kalimonthan Indonesia.Anchorage
Disch 1 SA, Bhavnagar, WC India Anchorage
Load rate 8,000 per day shinc
Discharge rate 10,000 Mt per day shinc
Laycan 20-25th June
Vessel geared grabber
Vessel age below 25 years
Vessel must be IACS Class
Total 2.5% pus
Gencon

(8 Marks)

b) MV Ocean Carrier, a Panamax bulk carrier vessel, was fixed on a **time charter basis for a period of 6 months ± 20 days Charterers' Option (CHOPT)** at a charter hire rate of **USD 16,000 per day pro rata (PDPR)** under the **New York Produce Exchange (NYPE) Charter Party**. The vessel was delivered to Charterers on **05 February 2025 at 0600 hrs** and re delivered on **18 August 2025 at 1800 hrs**.

During the charter period, following events and interruptions occurred:

i. **20 February 2025 0000 hrs to 21 February 2025 1800 hrs**
Main engine breakdown resulting in loss of vessel's propulsion.
ii. **10 March 2025 0800 hrs to 10 March 2025 2000 hrs**
Crew change and medical repatriation arranged by Owners.
iii. **05 April 2025 0600 hrs to 06 April 2025 0600 hrs**
Cargo loading suspended due to adverse weather conditions.
iv. **22 May 2025 0000 hrs to 22 May 2025 1200 hrs**
Delay caused by shortage of shore labour and stevedore strike.
v. **15 June 2025 0300 hrs to 15 June 2025 1500 hrs**
Failure of vessel's cargo cranes requiring repairs by ship's crew.
vi. **05 July 2025 1200 hrs to 06 July 2025 0000 hrs**
Delay due to port congestion and waiting for an available berth.
vii. **28 July 2025 0400 hrs to 29 July 2025 1000 hrs**
Failure of auxiliary engine causing reduction in vessel's operational efficiency.

Owners have accepted a **Charterers' claim of USD 75,000 towards loss of performance and speed deficiency**. During the charter period, Owners received **USD 2,750,000 as hire from Charterers**.

a) Examine each interruption and determine whether it constitutes an **off hire event under the NYPE Charter Party**, giving reasons for your decision.
b) Calculate the total charter hire payable by clearly showing Total charter period, Total off hire period, Net on hire period and Hire amount payable
c) Prepare a detailed **charter hire statement** after adjusting off hire deductions and under performance claim, and determine whether any balance is payable by Owners or Charterers.

(8 Marks)

Q5. A) . Explain the concept of Worldscale in tanker chartering. Discuss its purpose, method of calculation, and significance in determining tanker freight rates.

B) Explain the major clauses of the NYPE Charter Party, with particular reference to hire payment, off-hire, maintenance of vessel, employment, and redelivery clauses.

(2 × 8 Marks)

Q6. From the following particulars of MT Ocean Pioneer, prepare a detailed Voyage Estimate and calculate the Time Charter Equivalent (TCE) per day and Net Operating Profit (NOP) per day.

A) Vessel Deadweight: 115,000 MT
B) Voyage: Ras Tanura (Saudi Arabia) – Paradip (India) – Ras Tanura
C) Vessel Speed: 13.5 knots
D) Cargo Quantity: Minimum 100,000 MT ± 10% MOLOO (Charterers' option)
E) Freight Rate: Worldscale 82.5, with overage 50%
F) Address Commission: 1.25%
G) Brokerage: 2.50%
H) Laytime: 72 Hours SHINC (24 hours loading and 48 hours discharging)
I) Standing Charges: USD 12,500 per day

Daily Bunker Consumption-

Condition	Laden	Ballast	Load Port	Discharge Port
HFO (MT/day)	45	42	10	35
MDO (MT/day)	1.0	1.0	1.5	2.0

Worldscale Details
Round Voyage Distance: 5,000 Nautical Miles
Worldscale Flat Rate (WS 100): USD 13.25 PMT

Other Details

Bunker Prices:
HFO – USD 550 PMT
MDO – USD 850 PMT
Port Charges:
Ras Tanura – USD 75,000
Paradip – USD 95,000

(16 Marks)

Q.7 From the following Charter Party Terms of M.V. "OCEAN TRADER", which loaded 60,000 MT of Thermal Coal, calculate the laytime used and determine the amount of demurrage or dispatch payable at the load port.

Terms: FIOST
Loading Rate: 12,000 MT PWWD SHEX EIU
Demurrage: USD 15,000 Per Day Pro Rata
Dispatch: Half Demurrage

NOR: To be tendered at any time, day or night, Sundays and Holidays included. Laytime to commence 6 hours after valid NOR is tendered or upon commencement of loading, whichever occurs first.

<u>Statement of Facts – Load Port</u>
Vessel Arrived: 05 September Friday – 0600 hrs
NOR Tendered: 05 September Friday – 0700 hrs
Pilot on Board: 05 September Friday – 0900 hrs
All Fast: 05 September Friday – 1030 hrs
Commenced Loading: 05 September Friday – 1200 hrs
Rain Stoppage: 05 September Friday – 1800 hrs to 2200 hrs
Rain Stoppage: 06 September Saturday – 1000 hrs to 1300 hrs
Crane Breakdown: 07 September Sunday – 0800 hrs to 1200 hrs
Rain Stoppage: 08 September Monday – 1400 hrs to 1600 hrs
Labour Strike: 09 September Tuesday – 0200 hrs to 0600 hrs
Rain Stoppage: 09 September Tuesday – 1900 hrs to 2200 hrs
Completed Loading: 10 September Wednesday – 1600 hrs
Documents on Board: 10 September Wednesday – 1900 hrs
Sailed: 10 September Wednesday – 2200 hrs

Determine whether the vessel has earned demurrage or dispatch and calculate the amount payable. **(16 Marks)**

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FELLOWSHIP/ADVANCE DIPLOMA IN SHIPPING MANAGEMENT & LOGISTICS

Subject – Law of Sea Transport

30.06.2026 **Total 80 Marks** **Time: 3 Hours.**

Instructions:

- **Question No. 1 is compulsory**
- **Answer any other FOUR questions. (Total five questions have to be attempted – any additional questions attempted will not be considered)**
- **All question carries equal marks (16 marks each)**

(Total Marks: 5 x 16 = 80)

1. ABC Ltd. is the registered owner of the vessel "MV Western Empress." Two charterers, MON Ltd. and TUE Ltd. approach the owner to charter the vessel on the following facts.

   MON Ltd. wants to execute a voyage charterparty for two trips from Mumbai to Rotterdam and back to Mumbai. The vessel will carry a full and complete cargo of heavy metals.

   TUE Ltd. wants to charter the vessel for the same voyage, same ports and at the same time as MON Ltd., but wants to execute a time charterparty.

   During the estimated days for loading in Mumbai, the weather report predicts heavy rains and storms, with the potential to cause delays in loading. Obviously, ABC Ltd. can only charter the vessel to one of the two charterers. It requires your assistance in making the decision. As an expert in charterparty law, advise ABC Ltd. on the following concerns:

   A. What is the difference between voyage charterparties and time charterparties? Explain in detail **(5 marks)**

   B. What is laytime, and what happens if laytime is delayed due to heavy rains? If loading is not completed within a certain time, can ABC Ltd. cancel the charterparty? **(5 marks)**

   C. What is hire? Will the heavy rains be considered an off-hire event? **(5 marks)**

   D. What option must ABC Ltd. choose according to you so that he suffers the least. Why? **(1 mark)**

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2. Answer in brief any 4 from the following: **(4 marks each)**

   A. What are the COLREGS? What is their purpose?

   B. Name and explain briefly the features of different types of Bills of Lading.

C. What is alternative dispute settlement? Why is arbitration the most preferred system for maritime dispute settlement?

D. What is the extent of the seaworthiness obligation under the Hague and Hague-Visby Rules? Are there any exemptions from exercising this obligation?

E. Write a brief note on ship arrest.

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3. Answer both (A) and (B)

A. Give one-word answers for the following **(6 marks)**

(i) The international rules regulating general average.

(ii) The IMO Convention governing the rights and freedoms of seafarers.

(iii) Remuneration paid for salvage services.

(iv) The full form of SDR in relation to the limitation of liability.

(v) INCOTERMS are published by this organisation.

(vi) Indian legislation governing rules related to registration and ownership of ships.

B. Write short notes on any 2 of the following: **(10 marks)**

(i) Clean bills of lading.

(ii) Powers of customs officers.

(iii) The meaning of Paramount clauses under Hague and Hague-Visby Rules.

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4. Answer any 1 of the following: **(16 marks)**

A. What is the CLC? With reference to the CLC, explain the terms strict liability, limitation of liability and compulsory insurance. Also, explain what the Fund Convention is and when it applies.

B. What was the decision of Grant v. Norway, a case decided in 1851, on the status of the Bill of lading ? What legislative attempt was made to overrule this judgment?

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5. What is multimodal transport? What is the advantage of a multimodal transport document over individual carriage contracts? What is the liability of a sub-carrier to (i) the holder of the multimodal transport document and (ii) to the multimodal transport operator? **(16 marks)**

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6. A vessel from Rotterdam to Shanghai fractured her tail shaft and dropped her propeller, but was otherwise unimpaired. It was towed to an interim port where there were no repair or storage services. Hence, it was towed to China. What part of the voyage constitutes salvage? Describe in detail the 4 requirements of salvage. What is the SCOPIC Clause? Trace its need and advantages. **(16 marks)**

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7. Answer the following regarding General average: **(16 marks)**

A. What are the essential elements of General Average? What is the difference between the application of the terms ‘voluntary’ and ‘intentional’ in the definition of General Average as per the Merchant Shipping Act 1995?

B. At the time of General average act the vessel had unrepaired damage from a previous accident of Rs. l lakh. The sound value of the vessel on the arrival at the destination was Rs. 1 crore. The damage sustained on the current voyage was, say, Rs. 2 lakhs. What would be the contributory value of the vessel?

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Examination Paper – June/July 2026

FELLOWSHIP/ADVANCE DIPLOMA IN SHIPPING MANAGEMENT & LOGISTICS

Subject – Liner Trade & Multimodal Transport

29.06.2026 **Total 80 Marks** **Time: 3 Hours.**

NOTE: Question No.1 is compulsory. Answer any 4 from rest of the questions.

1. **a)** Explain the container ship forms in their evolution order.
b) Explain Master bill of lading, House bill of lading and difference between them.
(8 marks each)

2. Describe any 4 from below.
a) Features of Liner ship/service
b) End to end service
c) Pendulum service
d) Round the world service
e) Hub and spoke service **(4 marks each)**

3. **A]** Give full form of below.
i) IGM **ii)** CHA **iii)** COC **iv)** CSC **v)** FEU **vi)** NVOCC
vii) LC **viii)** MBL **ix)** MT **x)** FOB **xi)** IMO **xii)** MTO
xiii) INCOTERMS **xiv)** LCL **xv)** BOF **xvi)** IBC
(1/2 mark each)

B] Give short notes on any 2.
i) Flexitank
ii) Seaway B/L
iii) Import general manifest **(4 marks each)**

4. Define what is freight charge and it's components. List 8 factors considered while fixing the Freight Rate.
OR
Define BAY PLAN and explain in detail with a diagram BAY, ROW and TIER on board a ship.
(16 marks)

5. Explain the following with reference to a CONTAINER TERMINAL.
a) Customs Broker **b)** Rubber Mounted Quay Cranes
c) Inter Terminal Transfer **d)** Reach stackers **(4 marks each)**

6. Explain Federal Maritime Commission (FMC) of USA and Director-General of Competition (COMP) of EU and their scope / areas of activities.
(16 marks)

7. Explain the terms CFS / ICD. Detail the benefits of ICD. What are the analysis that needs to be done prior setting up an ICD ? **(16 marks)**

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Examination Paper – June/July 2026

FELLOWSHIP/ADVANCE DIPLOMA IN SHIPPING MANAGEMENT & LOGISTICS

Subject – Logistics Management

01.07.2026 **Total 80 Marks** **Time: 3 Hours**

Instructions:

- **Question No. 1 is compulsory**
- **Answer any other FOUR questions. (Total five questions have to be attempted – any additional questions attempted will not be considered)**
- **All question carries equal marks (16 marks each)**

Q. 1. After a laden import container is landed in a port in India it follows an import cycle which takes it through various processes till this laden container is cleared, destuffed and returned empty to an Empty Container Depot of the container operator. Describe the processes involved in this logistics chain. **(16 marks)**

Q. 2 Answer in brief any 4 from following: **(16 marks)**

1. Outsourcing Logistics
2. Electronic Data Interchange
3. Warehouse productivity
4. Importance of packaging
5. Customer Service in Logistics

Q.3 a) Expand and explain the following:

i. LCL ii. CFS iii. RR **(6 marks)**

b) Write short notes on any TWO of the following: **(10 marks)**

i. Artificial Intelligence ii. POS Data and its importance

iii. Distribution Management

Q.4 Answer (a) or (b) **(16 marks)**

a. Explain how can supply chain sustainability be improved.

b. What are the causes of poor inventory management?

Q.5 a. Discuss the concept of Supplier Relationship Management. **(8 marks)**

b. What are the main objectives of the SEZ Act in India? **(8 marks)**

Q.6 Explain transportation mode and carrier selection. **(16 marks)**

Q.7 What is ‘material handling’ and explain the objectives of material management.

(16 marks)

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