

**NAROTTAM MORARJEE INSTITUTE OF SHIPPING
MUMBAI**

Examination Paper – July 2019

Fellowship/Post Graduate Diploma in Shipping Management – Final Year

LAW OF SEA TRANSPORT

06.07.2019

Total 100 Marks

Time: 3 Hours.

Attempt any Five questions. All questions carry equal marks.

- 1) What is Charterparty? Analyze following clauses in Charter party:
 - (a) Laycan;
 - (b) Laytime;
 - (c) NOR.

- 2) Write an essay on:
 - (i) London dumping convention; and
 - (ii) OPRC HNS protocol.

- 3) Write down the comparison between different international conventions relating to Bills of Lading.

- 4) Explain the term 'Deviation' by supporting your answer with case laws.

- 5) Discuss the provisions made in Article 13 and 14 of Salvage Convention.

- 6) With reference to Collision Regulations, discuss any two of the following:
 - (i) Anomalous situation created by Both to Blame collision clause;
 - (ii) Rule of Alternate Danger; and
 - (iii) Rules relating to Damages.

- 7) Discuss the salient provisions of CLC and Fund Convention.

- 8) Write salient provisions of Merchant Shipping Act dealing with:
 - (a) Wreck and salvage wreck;
 - (b) Investigations and Inquiries.

- 9) Write an essay on Cargo Claims.

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Part – I Shipping Economics

Date: 09.07.2019

Total 50 Marks

Time: 1.5 Hours

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) Cost management is key to business success and shipping is no exception. Identify the cost elements under shipping and how can shipowners control these costs.
- Q2) Write a brief on challenges faced by Ship breaking industry in India.
- Q3) Explain following clauses of SALEFORM 2012 –
- a) Deposit
 - b) Payments
 - c) Encumbrances
 - d) Sellers default
 - e) Buyers representatives
- Q4) What are types of vessel lay-up? What are the procedures to be adhered by a ship-owner for reactivation of laid up tonnage?
- Q5) What is Investment appraisal? Explain its relevance to shipping. List down various criteria that can be adopted to determine financial viability of an investment.

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SHIPPING ECONOMICS & SHIPPING FINANCE
PART II - SHIPPING FINANCE

09.07.2019

Total 50 Marks

Time: 1.5 Hours.

NOTE: Answers to questions in Part I and Part II should be written in separate answer books.
Attempt any five questions. Each question carries 10 marks.

- Q1. Explain the role of following banks in a letter of credit transaction
- Opening Bank
 - Confirming Bank
- Q2. Write short notes on any 2 of the following:
- External Commercial Borrowing
 - Raising equity from abroad
 - Syndicated Loans
- Q3. Write short notes on any two of the following:
- Role of Bank for International Settlement
 - Importance of Bretton woods conference
 - Formalities at the port of delivery
- Q4. Explain in detail – Debt as source of financing ship acquisitions
- Q5. Describe the various documents handled under the Letter of Credit transaction with suitable examples.
- Q6. State True or False:
- Forward contracts is a risk mitigation technique
 - Export of capital goods is a capital account transaction under BoP
 - LC can be revoked by the issuing bank
 - Advising bankers provide commercial advice related to the transaction
 - In floating exchange rate system there is no intervention by the regulator
- Q7. Write short notes on any three of the following:
- International bank for reconstruction and development
 - Describe any three risks with mitigation techniques
 - Spot deals and Forward deals in forex transactions
 - Fixed and floating exchange rate system

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Examination Paper – July 2019

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CHARTERING

10.07.2019

Total 100 Marks

Time: 3 Hours.

NOTE: Question 7 & 8 are compulsory and carry 20 marks each, Answer any four from the rest and these carry 15 marks each

- Q1) Write short notes-
- Shipping Pools
 - Subjects
 - Bare boat charter
- Q2) Give full form and explain each chartering expressions -
- FIO
 - STS
 - BBB
 - NAABSA
 - DWCC
- Q3) Why is Worldscale system popular in the majority of tanker trades as the method for fixing freight rates? What are the main points included in "WSHC"?
- Q4) Explain in simple English your interpretation of following three chartering enquiries
- Dampier (Australia) / Rotterdam(The Netherlands)1 / 15 June 2018160,000 tonne iron ore 10% moloo 6 days SHINC AP
 - Min 120,000MT CHOPT up to full capacity of the vessel 1-2 grade(s) crude oil. Owners confirm vessel able to load minimum quantity basis restrictions at load/discharge port(s) Jebel Dhanna (UAE)/ 1-2 SP/SB Euromed NEOBIG Laycan: 3 June (12.00hrs)SHELLVOY 5 5%
 - MIN 57 KMT-2 grades of CPP (Intn LSD & Kero) CHOPT up to full cargo of vessel. Confirm vessel able to load minimum quantity basis loadport and discharge port draft restrictions. Load SB/SP/SA/STS Havre / Hamburg ranged Disport 2 SP USAC/USG range. Rotation in CHOPT Laycan 27/29 May (TRN CHOPT 2 days) ASBATANKVOY 3.75%.
- Q5) Explain following clauses in NYPE charter-party
- On/off hire survey
 - Hold cleaning
 - Supercargo
 - Charterers to provide
 - Liberties

P.T.O..... 2/-

- Q6) What do you understand by following terms?
 a) AFRA
 b) Ballast Bonus
 c) Letter of Indemnity
 d) Rider clauses
 e) Clean recap

- Q7) Details of voyage planned for M.T. Falcona is as under
 Dead-weight : 307118 MT
 Voyage : Rastanura - Chiba - Rastanura
 Speed: 12.5 Knots
 Cargo quantity: 270000 MTS
 Freight rate: WS 62.5
 Address Comm: 2.5%
 Brokerage: 1.25%
 Laytime: 96 hours SHINC (2 days loading and 2 days discharge)

Bunker consumptions basis per day are as follows :-

	Laden	Ballast	Loadport	Disport
HO (Mts)	75	65	12	70
DO (Mts)	0.5	0.5	1.0	4.0

As per world scale the round distance is 15766 NM and flat rate is USD.
 27.43 PMT.

Bunker Rates :HO - USD. 350 PMT, DO - USD. 700 PMT

Port Charges: Rastanura - USD. 75000 Chiba - USD. 250000

Prepare voyage estimate and calculate Time charter Yield per day.

- Q8) From the following data bulk carrier MV Rosetattoo which loaded 70,000 m. tons of coal in bulk, calculate laytime used and resulting demurrage/dispatch for the loadport. "Vessel fixed on FIOT load 10000 mt PWWD SSHEX DU IUATC. Demurrage USD 12,000/- pdpr/half despatch on laytime saved. 6 hours t/t unless berthed earlier".

SOF loadport:

Arrived 14th April Wednesday 1000 hrs
 Nor 14th April Wednesday 1000 hrs.
 Pilot on board 14th April 1100 hrs.
 All fast 14th April 1400 hrs
 Commenced loading 14th April 1430 hrs.
 Rain 14th April 1830 hrs - 2000 hrs
 Rain 15th April Thursday 1800 hrs - 2000 hrs
 Rain 17th April Saturday : 1930 hrs - 2230 hrs.
 Rain 18th April Sunday : 1400 hrs - 1600 hrs.
 Rain 19th April Monday 1030 hrs - 1200 hrs.
 Completed loading 20th April Tuesday 2300 hrs
 Documents on board 21st April Wednesday 0200 hrs.
 Sailed 21st April Wednesday 0400 hrs.

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MUMBAI**

Examination Paper – July 2019

Fellowship/Post Graduate Diploma in Shipping Management – Final Year

RISK MANAGEMENT & MARINE INSURANCE

07.07.2019

Total 100 Marks

Time: 3 Hours.

Note: Answer Question 1 and any other six questions. Question 1 carries 16 marks while the other questions carry 14 marks each.

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: [16]

- (a) A vessel is damaged while entering port as she hit the jetty. The jetty is also damaged. This incident will result in claims. Which insurance will be used in this situation?
- (b) A large container ship encountered very heavy weather during a voyage. Ten containers on the Port side of the vessel fell in the water. Can general average be claimed?
- (c) A ship ran aground due to the failure of the steering gear. The direct cause of equipment failure was the negligence of an engineer of the vessel. Can the company claim for this damage from its Hull and Machinery insurance?
- (d) Can a ship owner insure the cargo that is carried in his ship?

Qu. 2

- (a) How is insurance related to general average? [3]
- (b) A ship valued at 20,000,000 encountered serious damage leading to the running aground of the vessel. Cargo 'A' valued at 1,000,000 had to be jettisoned to lighten the ship. The other cargoes on board were 'B', 'C' and 'D' each valuing at 700,000; 500,000 and 400,000 respectively. The damage to the vessel was repaired at 700,000 and 320,000 was spent on removing the vessel from there. Calculate:
 - (i) Total amount of GA [3]
 - (ii) All contributory values [4]
 - (iii) Amount of GA contributed by each interest [4]

Qu. 3

- (a) Explain the system of working of a P&I Club? [4]
- (b) A ship owner has purchased an oil tanker and wants to insure the third party liabilities. Explain any five such liabilities which should be insured. [10]

Qu. 4

- (a) What are the differences between ICC (B) and ICC (C) cargo insurance clauses? [8]
- (b) Discuss the insurance solution that may be available for a larger importer of goods. [6]

Qu. 5

- (a) Risk management is a technique of safeguarding the organization's assets and activities - discuss this statement. [10]
- (b) How is insurance related to risk management? [4]

Qu. 6

- (a) What all are covered in marine insurance? [4]
- (b) How is marine insurance different from other insurances? [5]
- (c) Explain warranties. [5]

Qu. 7

- (a) What is the difference between actual and constructive total loss? Explain with example. [7]
- (b) What factors influence the fixation of premium in a hull and machinery policy? [7]

Qu. 8

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

	A	B
Damage to ship	3,000,000	2,000,000
Damage to cargo	800,000	150,000
Blame	40%	60%
Insured value	4,000,000	10,000,000

The deductible of hull policies of 'A' and 'B' are 60,000 and 90,000 respectively, whereas the same for P&I Clubs of 'A' and 'B' are 10,000 and 20,000 respectively.

- (a) Calculate the collision liabilities of the two ship owners. [2]
- (b) Calculate what will be paid by the two hull insurance companies. [4]
- (c) Calculate what will be paid by the two P&I Clubs. [4]
- (d) What amount will be borne by the two ship owners? [4]

Qu. 9

Write short notes on:

- (a) Insurable interest [5]
- (b) Warranties [3]
- (c) Sue and labour charges [3]
- (d) Reinsurance [3]

**Narottam Morarjee Institute of Shipping
Mumbai**

Examination Paper - July 2019

Fellowship/Post Graduate Diploma in Shipping Management - Final Year

Liner Trade & Multimodal Transport

08.07.2019

Total 100 Marks

Time: 3 Hours

NOTE: Answer any FIVE Questions. All questions carry equal marks		
Q 1	Discuss in detail difference between an LCL & FCL Shipment. Explain with an example what is a BUYERS CONSOLIDATION.	10 10
Q 2	What is dangerous goods & State the BASIC OBJECTIVE of the IMDG Code & Explain the following a) List the classes of Dangerous goods b) Multimodal Dangerous goods Form (Shippers Declaration) c) Dangerous Cargo Manifest	5 5 5 5
Q 3	Explain the following players in the LINER TRADE a) FREIGHT FORWARDER b) CUSTOM BROKER (CUSTOM HOUSE AGENT) c) FREIGHT BROKER d) CARRIER	5 5 5 5
Q 4	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.	15 5
Q 5	Explain the factors influencing liner pricing	20
Q 6	Explain the concept of "HUB & SPOKE" in LINER SHIPPING Discuss a TRANSSHIPMENT HUB in SOUTH EAST ASIA, how the entire region's trade is served with a figure	10 10
Q 7	Explain the duties & responsibility of a Liner agent as per SLAA (Standard Liner Agency Agreement)	20
Q 8	Explain in detail the difference between an ICD & CFS? List down the activities that are carried out in an ICD & CFS	10 10
