

# THE INSTITUTE OF CHARTERED SHIPBROKERS

APRIL 2007 EXAMINATIONS

TUESDAY 17 APRIL – AFTERNOON

## SHIPPING BUSINESS

**Time allowed – Three hours**

**Answer any FIVE questions – All questions carry equal marks**

1. Discuss the benefits and drawbacks of Public and Private Limited Companies compared with Partnerships and comment on the advantages and disadvantages of trading with each type of business organisation.
2. Explain what you understand by the term “hedging of risks” in international trade. Comment on the factors which might force those involved in international trade to consider this activity and the basic principles involved.
3. Define and explain **four** of the following terms:
  - a) FOB
  - b) CIF
  - c) DDP
  - d) DEQ
  - e) EXW
4. There are a large number of national and international organisations directly or indirectly connected with the business of shipping. Choose **two** of the following organisations and discuss the ways they carry out their obligations and responsibility to their membership and comment upon their achievements since their inception:
  - a) The Baltic Exchange
  - b) The Institute of Chartered Shipbrokers
  - c) FONASBA
  - d) FIATA
5. A number of busy shipping areas and ports are affected to some extent by ice during the Winter season. Define the areas and main ports affected, analyse the problems which this climatic condition causes and explain the means by which shipowners and traders attempt to overcome these difficulties.

**PTO**

- 6.** Most merchant ships will change hands more than once during their working lifetime. Explain, in detail, the role of the Sale and Purchase Broker in transactions which take place in this market.
- 7.** The tanker market can justifiably be described as specialised and is clearly different from dry cargo markets. Analyse the main differences between these two markets and comment on the sub-divisions which exist within the tanker market itself.
- 8.** Discuss, in detail, the function of the Bill of Lading and explain the reasons for a Bill of Lading being made out “TO ORDER” instead of to a named consignee.