



# ICM

SEPTEMBER 2015

MARITIME ECONOMICS

**Instructions to candidates:**

- a) Time allowed: Three hours (plus an extra ten minutes' reading time at the start – do not write anything during this time)
  - b) Answer any FIVE questions
  - c) All questions carry equal marks. Marks for each question are shown in [ ]
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- 1. Explain how shipping market cycles work. [20]
  - 2. What are the 'dynamic links' that affect freight rates? [20]
  - 3. The Board of Directors has asked you to brief them on the stages of buying a ship. What would you discuss? [20]
  - 4. Explain what factors affect decisions on whether to lay up a ship or sell it. [20]
  - 5. Describe the following maritime geographical areas of trade:
    - a) Europe
    - b) Indian Ocean maritime area
    - c) Pacific maritime area
    - d) North America [5 each]
  - 6. Discuss why in recent months bunker prices have fallen and the overall effect this has had on shipping. [20]
  - 7. Give reasons why container ships are continuously being built and increasing in size despite slot rates in the market remaining the same. [20]
  - 8. Explain why forecasting in shipping is a very difficult process and how this process can be performed. [20]