



ICM

SEPTEMBER 2015

SHIPBROKING & CHARTERING PRACTICES

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.
 - a) Explain the legal difference between an agent and a broker. [10]
 - b) Explain the difference between an exclusive broker and a competitive broker. [10]
 2.
 - a) What factors do you consider are necessary for an effective and honest reputation in shipbroking? [10]
 - b) In maintaining this reputation as a broker, how would you go about protecting your principle's interests? [10]
 3.
 - a) What do export companies assess in transportation costs? [5]
 - b) What does a ship owner consider when calculating possible employment offers for their ship? [15]
 4.
 - a) Under the Hague rules, what is the carrier bound to exercise due diligence to? [10]
 - b) Discuss the principle rule in the Hague rules liability system. [10]
 5. Draw a side profile of either a Capesize Bulk Carrier or VLCC tanker. Accurately label the diagram, providing a specification of the vessel you depict. [20]
 6.
 - a) Explain what a charterer must do if they wish to direct the vessel to ports outside the agreed limits of the charter party, therefore breaking the trading limits. [10]
 - b) Explain about fuel oil in a time charter party and if it causes damage to the vessel. [10]
 7. In contracts of affreightment, problems can sometimes arise with **overlifting, shortlifting** and **final shipment**. Discuss what these terms mean. [20]
 8. Explain what a 'Lien Clause' is on a charter party and how it is exercised. [20]