



ICM

DECEMBER 2016

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. Describe the SIX aspects of liner shipping which shippers consider to be important. [20]
 2. Explain why general cargo ships employed in the tramp and liner markets gave way to modern methods of shipping. [20]
 3. A private company called Guinea Savanna Shipping wants to raise equity in public markets. Explain how they would go about this. [20]
 4. Explain the following terms:
 - a) Spot rate
 - b) Freight rate mechanism
 - c) Demand elasticity
 - d) Operating costs[20]
 5. What role does seaborne trade play in global economic development? [20]
 6. Describe the FOUR stages in the shipping market cycle. [20]
 7. Use the Heckscher and Ohlin theory to explain resource-based trade between nations. [20]
 8. Discuss the main elements that port management need to consider in order to secure a port's regional and global competitiveness. [20]