



ICM

JUNE 2016

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 []
1. Explain fully the terms **Free On Board (FOB)**, **Cost and Freight (CFR)** and **Cost, Insurance and Freight (CIF)**. [20]
 2.
 - a) Explain what is meant by the **open freight market**. [10]
 - b) What are some of the factors that would affect these markets? [10]
 3. Outline the main features of **liner shipping** and **tramp shipping**, including what is meant by the term '**liner conference**'. [20]
 4. Outline the FOUR main areas of a broker's function in representing his principal in charter negotiations. [20]
 5. The dry cargo market can be subdivided into seven categories. Select and give a full explanation of ONE category. [20]
 6. Explain the advantages of documentary credit, using a diagram to illustrate your answer. [20]
 7. There are ten categories of questions connected with the calculation of laytime. Highlight and detail FOUR of them. [5 each]
 8. The new Scandinavian Maritime Code covers ten items in respect of a Contract of Affreightment (COA). List all TEN. [20]