



ICM

MARCH 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. Critically appraise the importance of sea transport to the global economy and describe the characteristics of the sea transport demand. [20]
 2. Describe the main influences on the level of demand for maritime services and identify the characteristics of economic cycles. [20]
 3. Give your understanding of the following terms:
 - a) Break-bulk liner services
 - b) Bulk carriers
 - c) Demurrage[20]
 4. Identify the main sources of economies of scale and explain how economies of scale can benefit maritime operations. [20]
 5. Advise a group of maritime economics students on components of TWO shipping markets of your choice and provide examples to support your explanations. [20]
 6. Discuss the economic factors that will have an influence on the choice of transport of bulk cargoes. [20]
 7. Write notes on THREE of the following:
 - a) Charter party
 - b) Time charter
 - c) Voyage charter
 - d) Transport logistics[20]
 8. Prepare a report explaining the following financial topics to members of your staff:
 - a) Cash flow costs and gearing
 - b) Estimating a ship's depreciation
 - c) Raising finance by issuing bonds[20]