



# ICM

MARCH 2016

THE BUSINESS OF SHIPPING

**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. Using a diagram, identify the different compartments of a typical 20,000 ton passenger ship. [20]
  2. Outline the advantages and disadvantages of large ships. Use a diagram where appropriate to illustrate your answer. [20]
  3. 'The practical responsibility for safe navigation rests on masters and navigating officers' (International Chamber of Shipping resolution). In addition the Chamber recognises there are important management functions.
    - a) List and explain the FIVE functions. [12]
    - b) What are the TWO recommendations made by the IMO in 1978 with regard to this issue? [8]
  4. Cost classification is normally divided into three groups. List the THREE groups with an explanation for EACH. [20]
  5.
    - a) The carrying capacity of ships comprises four main factors. List and describe the FOUR factors. [10]
    - b) Identify the THREE major developments that produced what is referred to as 'modern shipping'. [10]
  6.
    - a) In shipping finance what is meant by **equity**, **debt**, and **bank financing**? [12]
    - b) Explain the terms '**default risk**' and '**default ratings**'. Use a diagram to illustrate your answer. [8]
  7. In preparing a voyage estimate, list the FOUR steps involved, with an explanation of EACH step. [20]
  8.
    - a) What are the TWO main functions of the marketing department of a shipping company? [6]
    - b) List and explain the roles of **forwarding agents**, **ship's agents** and **loading brokers**. [14]