



# ICM

MARCH 2017

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 [ ]
1. Identify and describe the THREE major categories of the major bulk trades. [20]
  2. Using the theory of economies of scale, explain why the fleet of bulk ships includes vessels of different sizes. [20]
  3. List and briefly explain the TEN stages in the shipbuilding production process. [20]
  4. You have been asked to present a talk on 'Rostow's five stages of economic development'. What issues would you include? [20]
  5.
    - a) Explain what is meant by **specialised shipping**.
    - b) Write notes on the FIVE groups of commodities that fall into this category. [20]
  6. Under liner trades, explain what you understand by **price discrimination**. [20]
  7. Explain the following:
    - a) Voyage costs
    - b) Absolute advantage
    - c) Freight derivative contract
    - d) Currency adjustment factor [5 each]
  8. The buying and selling of ships can be sub-divided into FIVE stages. Write notes on ALL the five stages. [20]