

THE INSTITUTE OF CHARTERED SHIPBROKERS

APRIL 2006 EXAMINATIONS

TUESDAY 18 APRIL 2006 – MORNING

SHIPPING BUSINESS

Time allowed – Three hours

Answer any FIVE questions – All questions carry equal marks

1. Describe the full range of services which a Liner Agency company may be required to provide to its principal, and comment on the terms of contract which might cover their business relationship.
2. The Documentary Letter of Credit is widely understood to be the most secure method of making payments for goods in international trade, yet it is not adopted universally.
Explain why international traders might chose to avoid this method of payment and comment on the alternatives available to them.
3. Chambers of Commerce throughout the world provide a wide range of commercial services to business. Discuss their role and examine the reasons for the establishment of the International Chamber of Commerce. Identify those services which are of particular interest to international shipping.
4. Taking a seaborne trade of your own choice, analyse the range of facilities that ports will require handling such business, and comment on any factors which may restrict their future development and growth.
5. Fraudulent practice is common in many areas of commerce and the shipping industry, by virtue of its international nature, creates the ideal environment for a number of fraudulent practices.
Identify the most significant areas of maritime fraud and consider what can be done to prevent, detect or deter other types of criminal activity directed against the ship.
6. The IMO is an international body established by the United Nations Organisation and has significant influence in global shipping.
Examine the reasons for the formation of this organisation and comment on its activities and achievements since its inception.
7. Examine the circumstances in which a shipowner might consider appointing a 'Supervisory' or 'Protecting' Agent and outline the duties which such an Agent could be expected to perform.
8. Discuss the main functions of the bill of lading and explain the concept of a "clean" bill of lading and its significance to the buyer and seller in international trade.