



Professional Qualification in SHIPPING & LOGISTICS

Level 4 Diploma

UNIT 5 – OVERSEAS TRADE LAW

Question 1

- (a) **State** what is meant by the basic contract component of 'offer and acceptance'. (4 marks)
- (b) Referring to your answer to Question 1b, **describe** what is meant by the term 'invitation to treat'. (6 marks)
- (c) **Discuss** what is meant by the term 'legal capacity' in the following statement: 'Each contractual party must be a competent person having legal capacity'. (10 marks)

Question 2

- (a) **State** the role of an 'agent'. (4 marks)
- (b) Referring to your answer to Question 2a, **describe** the possible consequences if the agent was found to be acting without the necessary authority. (6 marks)
- (c) **Illustrate** the differences between the agents apparent authority and actual authority. Use examples to support your answer. (10 marks)

Question 3

Suggest which type of international contract of sale between Cost, Insurance and Freight (CIF) and Free on Board (FOB), would be more attractive to the seller of goods when they would like the buyer to do most of the planning and organisation for the transaction. **Justify** your answer. (20 marks)

Question 4

- (a) **Explain** what is meant by the term 'due diligence' in relationship to seaworthiness. (8 marks)
- (b) **Illustrate THREE** duties the carrier is bound to carry out in exercising due diligence under the terms of the Hague-Visby Rules before and at the beginning of the voyage. Use examples to support your answer. (12 marks)

Question 5

- (a) **Discuss TWO** effects the Treaty of Rome 1957 had on the shipping industry. (10 marks)
- (b) **Discuss** the purpose of amending the Treaty of Rome 1957 with the 'Single European Act 1986' (SEA). (10 marks)