



Professional Qualification in SHIPPING & LOGISTICS

Level 4 Diploma

UNIT 3 – PRINCIPLES OF SHIPPING AND INSURANCE MANAGEMENT

Question 1

- (a) **State** the difference between the terms 'Liner trades', and 'Tramp breakbulk trade'. (4 marks)
- (b) **Explain** what is meant by the term 'bulk liquid products'. (4 marks)
- (c) **Discuss** the methodology of conducting a draught survey on a bulk carrier, incorporating into your answer any weaknesses in the procedure, which may render the result less accurate. (12 marks)

Question 2

- (a) **State FOUR** main dry bulk cargoes. (4 marks)
- (b) **Describe THREE** items used in the international ship/ shore safety checklist as used by ISGOTT before any tanker is allowed to load or discharge (6 marks)
- (c) **Explain** the main differences on how LNG and LPG are carried on gas tankers. (10 marks)

Question 3

Differentiate between the 'voyage' and 'operating' costs between the ship owner and charterer under a time charter. (20 marks)

Question 4

- (a) **State** what is meant by the terms 'Insurable Interest' and 'Subrogation'. (4 marks)
- (b) **Explain** the difference between a 'warranty' and a 'condition' in a marine insurance contract. (6 marks)
- (c) **Discuss** how a contract of insurance is created at Lloyds of London. (10 marks)

Question 5

- (a) **State FOUR** advantages of using Lloyds Open form as a salvage agreement. (4 marks)
- (b) **Differentiate** between 'Total Loss' and 'Partial loss' under a Hull and Machinery Insurance contract. (6 marks)
- (c) **Explain each** of the **FIVE** points in the five point test for General Average, as given in the definition under the Marine Insurance act of 1906 section 66 (10 marks)