



Professional Qualification in SHIPPING & LOGISTICS

Level 4 Diploma

UNIT 3 – PRINCIPLES OF SHIPPING AND INSURANCE MANAGEMENT

Question 1

Compare a method of measuring cargo quantity for a tanker carrying crude oil with a method for measuring cargo quantity for a bulk carrier carrying bagged grain. (20 marks)

Question 2

(a) State the difference between clean and dirty oil cargo, usually carried on product tankers. (4 marks)

(b) Referring to your answer to Question 2a, identify advantages and disadvantages in a product tanker being able to trade in both. (8 marks)

(c) Illustrate FOUR safety features or procedures used on a product tanker to minimise the possibility of a fire occurring. Use examples to support your answer. (8 marks)

Question 3

Illustrate the characteristics of TWO types of charter. Ensure your answer includes the purpose of the agreement and responsibilities between the owner and the charterer. Use a diagram to support your answer. (20 marks)

Question 4

(a) Explain what is meant by the term 'marine insurance'. (4 marks)

(b) Explain why it is vital to follow the principle of utmost good faith (uberrimae fidei) in a marine insurance contract. (6 marks)

(c) Discuss the principle of subrogation and give an example of how it may be used by the insurance company. (10 marks)

Question 5

- (a) Discuss the use of and advantages of using Lloyd's Open Form in the event of salvage being required by your vessel, at sea under dangerous conditions. (10 marks)
- (b) Discuss how the level of award is determined after a successful salvage operation. (10 marks)