



Professional Qualification in SHIPPING & LOGISTICS Level 4 Diploma

UNIT 5 – OVERSEAS TRADE LAW

Question 1

- (a) **State** what is meant by the term 'legal precedent'. (4 marks)
- (b) **State** what is meant by the contract term 'frustration'. (4 marks)
- (c) Referring to your answer to Question 1b, **illustrate** when a contract of carriage could be cancelled due to frustration. Use examples to support your answer. (12 marks)

Question 2

- (a) **State TWO** types of agent employed in maritime trade. (4 marks)
- (b) **Explain** what is meant by the term 'agent of necessity'. (6 marks)
- (c) Referring to your answer to Question 2a, **explain** the role of **ONE** of these agents. (10 marks)

Question 3

Discuss the factors that would need to be considered to determine the type of contract to use between Cost, Insurance and Freight (CIF) or Free On Board (FOB) contracts. (20 marks)

Question 4

- (a) **Explain** how the carrier can reduce its liability for the loss or damage of cargo while at sea as stated in the 'Hague-Visby Rules'. (10 marks)
- (b) **Explain** what the Master responsibilities are, if cargo is found damaged at the port of discharge, according to the 'Hague-Visby Rules'. (10 marks)

Question 5

- (a) **Discuss** why the European Union (EU) was created. (10 marks)
- (b) **Identify** how the creation of the single market by the Single European Act 1986 impacted on the shipping industry. (10 marks)