



## Professional Qualification in SHIPPING & LOGISTICS

### Level 4 Diploma

#### UNIT 3 – PRINCIPLES OF SHIPPING AND INSURANCE MANAGEMENT

##### Question 1

- (a) **State** what is meant by the term 'draft survey' in regards to the business of shipping. (4 marks)
- (b) Using your answer to Question 1a, **identify THREE** precautions that should be taken to ensure the best accuracy in the draft survey result. (6 marks)
- (c) **Illustrate** the load line marked on the side of a log carrier. Use a diagram to support your answer. (10 marks)

##### Question 2

- (a) **State FOUR** hydrocarbon products carried in liquid bulk product carriers. (4 marks)
- (b) **Differentiate** between the clean bulk product carriers and the dirty bulk product carriers. (6 marks)
- (c) **Distinguish** between the operation of hydrocarbon product carriers and chemical product carriers. (10 marks)

##### Question 3

- (a) **Illustrate** the role of a ship broker in the context of international shipping. Use examples to support your answer. (10 marks)
- (b) **Explain** why different types of ships require different types of charter party agreements. (10 marks)

##### Question 4

**Discuss** the procedure when a ship owner insures his ship using the underwriting and insurance brokerage conducted at Lloyds of London. (20 marks)

##### Question 5

- (a) **State** what is meant by the term 'salvage'. (4 marks)
- (b) **Explain TWO** advantages to using Lloyds Open Form contractual agreement in the event of salvage being required. (6 marks)
- (c) **Explain** how the costs of salvage to the various stakeholders could be resolved in the event of a successful salvage operation. (10 marks)