



Professional Qualification in SHIPPING & LOGISTICS

Level 4 Diploma

UNIT 3 – PRINCIPLES OF SHIPPING AND INSURANCE MANAGEMENT

Question 1

- (a) **Describe TWO** fundamental elements in the shipping business. (4 marks)
- (b) Using your answer to Part (a), **explain** how each element operates within the shipping business. (16 marks)

Question 2

- (a) **Describe** the role of a shipbroker. (6 marks)
- (b) **Illustrate** the importance of a shipbroker in relation to the acquisition of the correct type of vessel for transporting goods. Use examples to support your answer. (14 marks)

Question 3

- (a) **Explain** the term 'draft survey'. (8 marks)
- (b) **Explain** the importance of a draft survey. (12 marks)

Question 4

- (a) **Describe ONE** type of charter that is applied to the shipping industry. (6 marks)
- (b) Using your answer to Part (a), **explain** how this type of charter affects ship owners. (14 marks)

Question 5

- (a) **Describe** the role of Lloyds of London. (8 marks)
- (b) **Explain** the role of Lloyds of London within international insurance. (12 marks)

Question 5

- (c) **Explain** what is meant by the term 'General Average'. (4 marks)
- (d) **Illustrate** the purpose of General Average when dealing with risk to cargoes. Use examples to support your answer. (16 marks)

June 2016