

**UNIVERSITY OF COLOMBO, SRI LANKA
FACULTY OF ARTS**

**FOURTH YEAR EXAMINATION IN ARTS (ECONOMICS)-2021/2022
(End of First Semester)**

ECN 4161 – MARINE STANDARDS AND REGULATIONS

Answer Any Two (2) Questions from Part I and Any Two (2) Questions from Part-II

TIME ALLOWED: TWO (2) HOURS

Part I -[60 Marks]

Answer any TWO (2) Questions from this Part

Question No. 1 – [30 Marks]

Safe Shipping Lanka Private Ltd is a Shipping Agent in Colombo, who regularly handles Casual Caller Vessels that arrive at Port of Colombo. The below information was received from China based Shipping Company, Guan Yum Shipping Ltd, for their Container Vessel "Guan Speed " which is due in end November 2022 in Port of Colombo.

You are required to prepare a Proforma Disbursement Account for "Guan Speed" to submit same to Guan Yum Shipping Ltd in China, who are keen to receive feedback from Safe Shipping Lanka Private Ltd.

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| <u>a) Vessels specification</u> | |
| 1. Name of vessel | Guan Speed Voy 420W due in 30 Nov 2022 |
| 2. GRT (gross revenue tonnage) | 74,958 |
| 3. Port Stay | 2 days |
| 4. Purpose of visit | Discharging Containers & Owners functions |
| 5. Owners functions | Provision US\$ 2,000, Fresh water US\$ 1000 |
| 6. Cargo details given as 20'/40' | Inward Transshipment Laden 300' / 200' Inward Local Laden 50' / 60' |
| <u>b) Navigation cost sheet as per SLPA Tariff</u> | |
| Entering dues | GRT x US\$4.55 |
| Light dues | GRT x US\$3.40 |
| Pilotage In/out | GRT x US\$4.55 |
| Professional pilotage | US\$ 24 x 2 |
| Tugs 2 in / 2 out | US\$ 161 x 4 |
| Berth hire | GRT x US\$0.22 x hours at berth |
| <u>c) Port Stevedore Rates</u> | |
| | <u>20' / 40'</u> |
| 1. Local laden | US\$ 150 / US\$ 250 |
| 2. Transshipment laden | US\$ 40 / US\$ 60 |
| <u>d) Exchange Control Tariff for agency commission</u> | |
| 1. Transshipment Laden container - US\$ 7.50 for 20' and US\$ 15 for 40' | |
| 2. Owners protective agency fees- US\$ 750 per vessel | |
| 3. Local Laden containers - US\$ 10 for 20' and US\$ 20 for 40' | |

Question No. 2 – [30 Marks]

A cargo vessel MV Kamasuthra carrying 595 containers of chemicals, 356 containers carrying plastic nurdles, and 768 containers of other non-dangerous types of cargo collided with a crude oil carrying MT Viagra having 55,000 metric tons of heavy crude oil just 10 nautical miles off the Port of Galle, Sri Lanka. In this incident, the MV Kamasuthra caught fire due to huge explosions that resulted from chemical substances on-board where the ship later fully submerged in the sea while polluting the beach off Galle with the plastic nurdles and other substances that it carried. The other vessel MT Viagra spread around 5,000 tons of crude oil along the same beach before preventing the rest of its' remaining cargo being exposed to sea.

Referring to the given circumstances, answer the following:

- (i) Explain the liabilities of the Owner of MV Kamasuthra in relation to the pollution damage it caused in the incident. [06 Marks]
- (ii) Explain the liabilities of the Owner of MT Viagra in relation to the pollution damage it caused in the incident. [06 Marks]
- (iii) Name the possible international convention(s) that may apply in the pollution damage caused in respect of the two vessels separately. [06 Marks]
- (iv) Provide a brief analysis on the application of Sri Lanka's law relating to marine pollution in the given circumstances of the case referred above. [12 Marks]

Question No. 3 – [30 Marks]

“A Bill of Lading is issued as evidence of a contract of carriage between the Exporter and carrier.”

- (i) Define the three main functions of a Bill of Lading? [05 marks]
- (ii) Explain “Door to Door” bill of lading and “Port to Port” bill of lading using examples. [05 marks]
- (iii) Clearly describe the parties responsible to sign both Liner & Tramp Bills of Lading? [04 marks]
- (iv) Identify the difference between a “Shipped Bill of Lading” and a “Received for shipment Bill of Lading” and the role played by these two documents in International Trade. [06marks]
- (v) “Switching” bills of lading are a very common procedure in international trade, where an issued bill of lading is substituted by a new set called switch bill of lading.
 - (a) Explain the process of switching a bill of lading. [05 marks]
 - (b) How does it impact the buyer & seller in International Trade? [05 marks]

Question No. 4 – [30 Marks]

“Carriage of goods by sea involves two main parties i.e. the Carrier and the Cargo Owner whereas the Cargo Owner could either be the Shipper or the Consignee depending on the party that has taken the burden of delivering the goods to the receiving end by accepting the use of an INCOTERM (International Commercial Term) in the Contract of Sale that they enter”. Considering this statement, answer the following:

- (a) Describe four (04) best terms that a Seller and a Buyer should agree upon in the Contract of Sale entered between them. [04 Marks]
- (b) Identify the three (03) main types of Contracts of Carriage that can be used in sea transportation, and explain in what circumstance that Bills of Lading would be issued by a Carrier. [08 Marks]

- (c) Describe the importance of Limitation of Liability Clause in a carriage contract, and explain when the right to limit liability would be lost for a Carrier / Shipowner. [10 Marks]
- (d) Discuss the main elements involved in an act of General Average. [08 Marks]

Part – II [40 Marks]

Answer any TWO (2) Questions from this Part

Question No. 5 – [20 Marks]

“Border Control is an important area involved in the international trade, and especially in the carriage of goods by sea where goods that are transported from one country to another require them to be checked for various reasons including quarantine, customs duties, prohibition of certain trading of goods, and the etc. Therefore, one cannot engage in international trade without understanding the liabilities involved in border control and the duties casted upon the trading parties in declaring their goods”. Considering this statement, answer the following:

- (i) Name four (04) main authorities that exercise border controls in Sri Lanka. [04 Marks]
- (ii) In determining the Customs Duties for exports, indicate five (05) major factors that may be considered to fall within the meaning of ‘Transaction Value’. [05 Marks]
- (iii) List three (03) types of Importation Levies that are imposed in Sri Lanka and explain them briefly. [06 Marks]
- (iv) While describing three (03) main authorities involved in the Quarantine processes in Sri Lanka, briefly explain the role of two (02) of them. [05 Marks]

Question No. 6 – [20 Marks]

Shipping agents accomplish a great responsibility in looking after the business of vessels on behalf of the ship owners and charterers. An agent’s remit can be extremely varied and often agents specialize in one field of expertise.

- (i) Discuss the fundamentals of agency functions. [08 Marks]
- (ii) Distinguish the activities and responsibilities of two main agents in shipping business. [12 Marks]

Question No. 7 – [20 Marks]

- (i) Examine the role of marketing and sales of liners (agents) in even out the fluctuation in demand due to service characteristics? [10 marks]
- (ii) Describe why it is important to consider SLEPT factors when determining the volume and revenue budget? [10 marks]

Question No. 8 – [20 Marks]

- (i) Most ship husbanding services are common to both Port and Liner agents. Consider you are a port agent who is appointed as the agent to look after a discharging operation of a coal carrier. Explain at least 5 key ship husbanding functions, while showing how you liaise with the ship owner (principal) and ship itself. [10 marks]
- (ii) Identify four different types of port terminals along with types of cargoes for each terminal. Select one type of terminal and explain type of handling gear, layout, vehicles & equipment required at selected terminal. [10 marks]
