

THE INSTITUTE OF CHARTERED SHIPBROKERS

INTRODUCTION TO SHIPPING (IS)

2007

EXAMINER'S REPORT

OVERALL COMMENT

The upward trend of passes continues and although candidates' academic background is unknown, it could well be suggested that there is far greater evidence of graduate or higher education entrants.

QUESTION 1 – FACTORS OF PRODUCTION

Reasonably good presentations, with some interesting comment made upon relevant additional factors; such as, politics and the environment. Pleasingly most answers grasped and understood the purpose of this question, which was to describe how nations differed in their ability to exploit and develop natural resources and services. A surprising omission in the majority of answers was any reference to 'Tramp' or 'Liner' shipping.

QUESTION 2 – PANAMA CANAL

Thankfully those who omitted the map were in the minority who immediately forfeited 50% of available marks. This geographical type question was deliberately included because students studying Institute of Chartered Shipbrokers' (ICS) Courses are expected to have an outline knowledge of oceans, transits and the principal cargoes carried. The question was intended to be open for source, cargo and destination choice and was reasonably well answered, even if there was some confusion with Suez and the Malacca Strait.

QUESTION 3 – PORT STATE CONTROL/ CLASS / ITF

The most popular question with probably too much emphasis placed upon social welfare and justice; which although justifiable, only represents one aspect of shipping conduct. The purpose and powers of the ITF were extremely well described but unfortunately also inclusive of PSC and CLASS roles. The reader would have preferred to sight some differences between say the 'Hardware' inspections of Classification Societies (Safety Construction and Load Line) and the 'Software' of Port State Control (Records of lifeboat drills and safe working practices)

QUESTION 4 – FLAGS

This proved to be one of the least popular questions and the reason soon became clear because several answers revealed a misunderstanding of the term, ‘Off Shore’, or ‘International’; concerning which, there was much confusion with the ‘Courtesy’ flag. A ‘Pass’ score for this question would have included the reasons for development of FOC, followed by the consequential background to the emergence of the ‘Off Shore’ flag, before any analysis of flag differences. Commendably nearly all answers contained neutral comment, concerning differences. A couple of thought-provoking answers did make reference to the bad publicity sometimes given to FOC, countered by the question asking, ‘What is the alternative in a competitive industry subject to international market forces’?

QUESTION 5 – FEATURES OF A CONTRACT / BREACH

An unpopular question; although, in fairness to those who did make the attempt, the answers proved to be both knowledgeable and informative. Introduction to Shipping is a threshold module and the basics of contract law are applicable to ALL types of industry and commerce. For the information of those who avoided this question; all that was required was some comment and description of, ‘Offer, Acceptance’, Consideration and Legal Capacity’, plus an outline description of minor and fundamental breach, supplemented by examples of the simplest type,

QUESTION 6 – NVOCC

A very popular question and maybe a direct reflection upon the student numbers engaged in the ‘Liner Trades’. Whilst the benefits accruing to containerisation dominated the answers, there were surprisingly few comments upon the nature of ‘Private’ and ‘Common’ carriers. Concerning roles, there was good descriptive comment upon ‘Door to Door’ and ‘Supply Chain Management’ but little upon the subsidiary tasks such as export packing and cargo clearance. A general comment upon the answers to this question, could be to suggest that far too much was written to compensate for lack of knowledge about other question topics.

QUESTION 7 – AGENT TYPES

A semi-popular question, which with some justification, might be considered as overlapping the Port Agency Course. The answers were certainly informative; except and notable for , the ‘Supervisory’ agent, who often took on the role of a government inspector or even ‘Supercargo’. This is a point for future consideration, in order not to clash with certain national requirements. Pleasingly very few described the ‘Charterer’s Nominated Agent’ as primarily being answerable to the charterer, whilst portraying commercial awareness. It gave particular pleasure to read that the whole purpose of this question was to read in most answers that the agent is answerable to his fee paying principal.

QUESTION 8 – STATEMENT OF FACTS / TIMESHEETS

The least popular question with only a few obtaining a clear pass. The question was phrased in simple terms, although it soon became apparent why few chose to answer. A possible reason for this lack of knowledge was maybe due to a majority of candidates being involved in the ‘Liner Trades’, as opposed to ‘Tramp’ and ‘Voyage’ charters. A recommendation might be for this question type to be included in future examinations, even if only to emphasize that to be successful in these examinations, there must be a balanced understanding of both ‘Liner’ and ‘Tramp’. Apart from the obvious differences, it would have been welcome to read information, such as comment suggesting that the fully endorsed and (Arrival / Departure) completed SOF is a legal document and as such should reflect ship log book entries; whilst the Timesheet is primarily a summary of laytime counting at both ends and thus used as a calculation base for Demurrage / Despatch.

CONCLUSION

The comments made upon the answers given within this report, may appear to be unduly critical; but, the whole purpose is to highlight those areas where improvements can be made and hopefully prove useful when read by potential year 2008 candidates. Supplementary to knowledge is presentation and it is highly recommended that students practice ‘Question Analysis’; asking themselves, ‘What is it the examiner really wants?’ and making bullet pointed sub-titles at the start of each answer. This simple procedure fulfils two personal disciplines; first, so that the moderator can judge intentions and secondly to ensure that the writer enlarges upon each of the bullet points; finally incorporated into an ‘Introduction’, followed by a ‘Main Theme’ and ‘Conclusion..

A Brazilian ‘Distance Learning’ student recently added his interpretation to examination procedure as ‘THINKING OUTSIDE THE BOX’ – good point.