

**Indian Maritime University**  
**(A Central University, Govt of India)**  
**End Semester Examinations – December 2024**  
**Programme Name: MBA (PSM)**  
**Semester: 3**  
**Subject Code: PG21T3302**  
**Subject Name: CHARTERING PRACTICES**

---

Date: 09.12.2024

Max Marks: 60

Duration: 03 Hrs

Pass Marks: 30

---

General Instructions

- (i) All Sections (A, B & C) are to be attempted.
- (ii) Options, if any, are specified in respective section.
- (iii) Non Programmable Calculators may be used for calculation

**Section A**

**Ten MCQs/Fill in the Blanks of 01 Mark each – Choose the correct answer as applicable.**

- 1)** The charge that is paid by the Shipowners to the Charterers, when the ship completes her loading or discharging in less than the time allocated is known as
- A. Deadweight
  - B. Despatch
  - C. Dead freight
  - D. Demurrage
- 2)** A Charter Party is an agreement between
- A. The Shipowner and the Charterer
  - B. The Shipowner and the Port Authority
  - C. The Shipowner and the Broker
  - D. The Shipowner and the Consignee
- 3)** A Ship that is used to transport Oil or Chemicals in Bulk is known as
- A. Bulk Carrier
  - B. Container Ship
  - C. Tanker
  - D. Scrap Ship

- 4)** LAYTIME Commences when
- A. The Ship drops her Anchor
  - B. The Ship is Alongside
  - C. The Ship picks up her Inbound Pilot
  - D. As Per Charter Party Terms
- 5)** The Person who acts as intermediary between the Ship Owner and the Charterer is known as
- A. Pilot
  - B. Ship Chandler
  - C. Ship Broker
  - D. Stevedore
- 6)** Which of the following is paid by Voyage Charterer to a Ship Owner
- A. Freight
  - B. Crew Wages
  - C. Port Dues
  - D. Stevedore Costs
- 7)** When a Bulk Carrier is relocated from a Discharge Port to a Load Port in fully empty condition, then amount paid to Ship Owner is known as
- A. Dead-freight
  - B. Ballast Bonus
  - C. Despatch
  - D. Demurrage
- 8)** Upon completion of loading, the Document issued by the Ship Owner to the Charterer is known as,
- A. Note of Protest
  - B. Shipping Bill
  - C. Bill of Lading
  - D. Letter of Indemnity
- 9)** On a Voyage Charter, the Shipowner is entitled for claiming \_\_\_\_\_ for failing to load cargo amount as stipulated in the contract
- A. Deadweight
  - B. Lumpsum Freight
  - C. Dead freight
  - D. Advance

- 10)** The headquarters of Baltic and International Maritime Council (BIMCO) is located
- A. Hongkong
  - B. Copenhagen
  - C. New York
  - D. Tokyo

### **Section B**

#### **Five Questions of 02 Marks each**

- 11)** Expand and briefly explain the following abbreviations
- A. ETA,
  - B. MOLOO
  - C. SHEX
  - D. FOB
- 12)** List any 04 or more Statutory Certificates that are to be compulsorily carried on board Merchant Vessels.
- 13)** What are the factors that affect the Tanker Freight Markets.
- 14)** What are the main functions of Bill of Lading?
- 15)** What are the customary excluded periods from laytime for voyage charter and very briefly describe the same?

### **Section C**

#### **Seven Questions of 8 Marks each of which any 05 questions to be answered.**

#### **16) LAYTIME CALCULATION**

“Sundays and Holidays Excepted Unless Used and Weather Working Days”

A GENCON Charter party with modifications and rider clauses provides for Cargo Minimum 25,000 MT 10% MOLOO up to full load capacity of Vessel at Charterer’s Option.

Laytime for Loading: 10,000 MT per WWD SHEX UU

Laytime for Discharging: 10,000 MT per WWD SHEX UU

Laytime Clause: “Laytime for loading and discharging shall commence at 1 p.m. if Notice of Readiness is given before Noon and at 6 am. Next working day if Notice of Readiness is given during office hours after noon.

Time actually used before commencement of laytime shall count.

Time lost in waiting for berth to count as loading or discharging time as the case may be.

Demurrage to be paid at the rate of USD 10,000 per day / pro rata for all working hours lost. Despatch to be paid at half the rate of Demurrage for all working time saved.

Statement of Facts:

Vessel Arrived	1300 Hrs, 03 <sup>RD</sup> November Wednesday
Vessel Berthed	1430 Hrs, 03 <sup>RD</sup> November Wednesday
NOR Tendered	1100 Hrs, 03 <sup>RD</sup> November Wednesday
NOR accepted	1100 Hrs, 03 <sup>RD</sup> November Wednesday
Cargo Quantity Loaded	27500 MT
Loading Commenced	1630 Hrs, 03 November
Loading Completed	1030 Hrs, 06 <sup>TH</sup> November

Work out a Laytime Calculation and State whether the vessel is on Demurrage or Despatch and the appropriate amount in relation to them.

**17)** Port of Loading / Port of Discharging, Demurrage, Despatch are a necessary part of Voyage Charter Contract. Describe how each of these elements affect the freight rate of a Charter Party?

**18)** Briefly describe the different types of Ship Employment? And briefly describe each one of them

**19)** A vessel has been fixed on a Charter Party with a cancelling date of 06<sup>TH</sup> of April. On 28<sup>TH</sup> of March, it becomes clear that due to a delay at the previous discharge Port, the vessel can only arrive on the 08<sup>TH</sup> of April. As Owner's broker you have already send a message to the Charterers at 1000Hrs UTC on 28<sup>TH</sup> of March informing of the delay, but by 1000 hrs UTC on 31<sup>ST</sup> March you have not received any reply and the vessel is ready to depart from the discharge Port and proceed to the loading port. What advise do you give to the Owner / Master?

**20)** What is Arbitration Clause? Why is it important to include the Arbitration Clause in Charter Party?

**21)** Compute the Voyage Estimate for the following:

Vessels Name	CAPESIZE 01
Vessel's current position	Sailing towards Shanghai for discharge

Load Port	Port Hedland, Western Australia		
Discharge Port	Rotterdam, Netherlands		
Use following distances for calculation			
Shanghai to Port Hedland, Australia	3329 NM		
Port Hedland to Suez Canal	6100 NM		
Suez Canal to Rotterdam	3375 NM		
<b>Cargo</b>	Coal	<b>Quantity</b>	167,500 MT
Canal Passage	Allow for 01 day with normal laden consumption		
Load / Disch Speed	50,000 MT / 40,000 MT per day		
	SHINC BENDS both ends		
Daily Costs	\$ 9,000	Constant	850 MT
Bunker Prices	Singapore	IFO 380	US \$ 598 per MT
		Marine Diesel	US \$ 922 per MT
	Suez	IFO 380	US \$ 680 per MT
		Marine Diesel	US \$ 1100 per MT
Port Charges	Port Headland	US \$ 240,000	
	Suez Canal Transit	US \$ 200,000	
	Rotterdam	US \$ 125,000	
Speed	Laden	13 Knots	
	Ballast	14 Knots	
Consumption	Fuel Oil at Sea	65 MT per day	
	MDO at sea	2 MT per day	
	MDO in Port	2 MT per day	
Freight Rate	Per Tonne	US \$ 22.50	

Assume Bunkers for passage from Shanghai to Port Headland to Suez plus 05 days reserve taken at Singapore.

Assume Bunkers for passage from Suez to Rotterdam taken at Suez.

And assume no change in loadline zone and vessel loads exact 165,000 MT

- Prepare a voyage estimate and give the break even freight rate
- Draft a firm offer in short form to reply the above indication from Charterer.

Your reply should include the following:

- The normal main terms
- Assume vessels name and basic particulars (name of vsl, DWT, Year Built, Flag, Class, Cubics, GRT / NRT)
- Freight rate and Payment

- Loading and Discharging Rate
- Taxes, Charter Party Form etc.,

**22) MV VISHVA ABHA – following Data**

Summer DWT	55,000 MT	Summer Draft	11.180 M
SW TPC	47	Cubic Grain Capacity	73875 M <sup>3</sup>
Draft at Loadport	11.00 M	Cubic Bale Capacity	69442 M <sup>3</sup>
Constant plus Bunker	2000 MT		

Shipowner has the options of loading the following cargoes

Wood Chips	SF 3.0 CBM / MT	Freight US \$ 10 PMT
Iron Ore	SF 0.5 CBM / MT	Freight US \$ 06 PMT

- Which Cargo will generate more revenue for the Ship Owner?
- Will the decision change if there is no restriction at Loadport?  
(Assume no restrictions at Discharge Ports)