

INDIAN MARITIME UNIVERSITY
(A Central University, Govt. of India)
End Semester Examinations –Dec 2019/Jan 2020
M.B.A (Port and Shipping Management)
Semester- III
PG21T2305 – Shipping Economics

Date: 03.12-2019

Max Marks: 60

Time: 3 Hrs.

Pass Marks: 30

PART – A

Answer **all the questions**. All the questions carry equal marks.

12 x 1 = 12 Marks

01. Which of the following cities is considered as the first commercial centre of maritime trade in 3000 BC?
 - a) London.
 - b) New York.
 - c) Babylon.
 - d) Cairo.

02. The fall of Antwerp as a maritime capital led to rise of
 - a) Lisbon.
 - b) London.
 - c) Amsterdam.
 - d) New York.

03. Container business can compete with which of the following?
 - a) Reefer ships.
 - b) Chemical carriers.
 - c) Multipurpose vessels.
 - d) All the above.

04. Unit cost of shipping a 110,000 tonne parcel of oil in comparison to unit cost of shipping a 330,000 ton parcel of oil will be
 - a) Higher.
 - b) Lower.
 - c) Same.
 - d) Can't say.

05. During the peak stage of a shipping cycle, which of the following is more likely?
 - a) Ship owner will be happy to pay dispatch money.
 - b) Loading rate will be given inclusive of Sundays and Holidays.
 - c) Ship owner will operate the ship at higher speed.
 - d) All the above.

06. As per the lessons from two centuries of shipping cycles,
- We can say that on an average, cycles last for 7 years.
 - We can say that tankers are not affected by cycles.
 - We can say that all the cycles have been predicted in advance.
 - All the above.
07. Stock building will happen
- In all the industries at the same time.
 - At the end of recession in a particular industry.
 - At a particular interval in all the industries.
 - When the shipping cycle is declining from the peak stage.
08. Which of the following is a random shock on ship demand?
- Death of a ship owner.
 - Congestion of an important port.
 - Increase in ship building productivity.
 - None of the above.
09. In case of varying fuel costs & varying freight rates, which of the following statements is true:
- Savings will always be there if, fuel cost is high and freight rate is low.
 - Savings will always be there if, fuel cost is low and freight rate is low.
 - Savings will always be there if, fuel cost is low and freight rate is high.
 - For any level of freight rates and fuel costs there is an optimum speed.
10. Productivity of a ship refers to
- Number of tonnes of cargo carried in a year.
 - Number of laden voyages done in a year.
 - Number of ballast voyages done in a year.
 - None of the above.
11. German KG Funds specialize in financing
- Tankers.
 - Bulk carriers.
 - Container Ships.
 - Passenger ships.
12. Which of the following is an "Operating Risk" of a shipping company?
- Full charter status of the vessel is unknown.
 - Frequent vessel breakdowns leading to offhire.
 - Market downturn.
 - Sudden increase in costs.

PART – B

Answer any **Five** of the following questions.

5 x 4 = 20 Marks

13. Name the 4 innovations responsible for transforming the shipping industry by eighteenth century.
14. What are the contributing factors for the major changes in the structure of the shipping industry during the 1950s?
15. Explain the market mechanism aspect of shipping cycles.
16. List any 4 methods of altering the way that the existing stock of vessels is used?
17. Explain Average haul and ton miles concept with an example.
18. List any 4 methods used to provide security for a bank loan for a ship?
19. Return on Equity analysis helps in understanding the economic characteristics of commercial ship lending by Banks - Explain.

PART - C

Question No.20 is compulsory and answer any three from the remaining five questions

4 x 7 = 28 Marks.

20. What are the most important variables in the shipping market model? Explain each variable with an example.
Marks distribution:
 - a) Variables affecting Shipping Demand. (4 marks)
 - b) Variables affecting Shipping Supply. (3 marks)
 21. Liner shipping economics is quite different from bulk shipping economics. – Explain.
 22. Discuss the characteristics of a trough stage in a shipping cycle and the strategies followed by ship owners during the trough stage.
 23. Explain the linkages among the four shipping markets.
 24. Discuss the complete cost profile of a shipping company.
 25. What are the roles of various institutions providing or arranging Ship Finance?
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