

**Indian Maritime University
(A Central University, Govt of India)**

Dec'25 ESE

MBA (PSM)

Semester: 3

Subject Code: PG21T3302

Subject Name: CHARTERING PRACTICES

Date: 08.12.2025	Max Marks: 60
Duration: 03 Hrs	Pass Marks: 30

General Instructions

All Sections (A, B & C) are to be attempted.

Options, if any, are specified in respective section.

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. What is the advantage to the ship owner when he leases his Tanker on the Time charter?

- a. He gets a stable income irrespective of the ups and downs of the market during the period of TC
- b. He gets better revenue than when he leases on Voyage charter
- c. He speculates on the trends of the market
- d. All of the above

2. What is Suezmax tanker?

- a. A tanker which cannot pass through Suez canal
- b. A tanker which can easily pass through Suez canal when on ballast
- c. A tanker which can easily pass through Suez canal when fully laden
- d. None of the above as it has nothing to do with Suez canal

3. What is FiOST in a Dry bulk chartering?

- a. Free in and out Satisfactory Trimming
- b. Free In and out with Surveyor approval
- c. Free In and out with Spout Trimmed
- d. Free in and out spout troughed

4. In a voyage charter party, the loading and or discharging costs can be on

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- a. The shipowner
 - b. The charterer
 - c. It can be on any one of them
 - d. It can be shared equally
5. Plimsoll lines are useful as it indicates
- a. Freeboard limits
 - b. Shows the maximum draft for different water types and zones
 - c. The safety loadability of a ship in different conditions
 - d. All of the above
6. Derivatives of freight rates are mainly useful to
- a. gamble on price raises and get rewards
 - b. the shipping industry participants to manage exposure to price fluctuations
 - c. for hedging and other speculative reasons
 - d. None of the above
7. What is the important advantage of Pipelines in international Trading?
- a. Operating cost of the pipeline is negligible
 - b. It can be used 24/7 and can be used throughout the year
 - c. It can be used for different clients one after another
 - d. All are true
8. Which place in India has a SBM which can accept discharge of oil from VLCCs?
- a. Jamnagar
 - b. Vadinar
 - c. Bombay High
 - d. Haldia
9. LAYTIME commences when
- a. The Ship drops her Anchor
 - b. The Ship is Alongside
 - c. As Per Charter Party Terms.
 - d. The Ship picks up her Inbound Pilot
10. Some common exemptions allowed in Voyage charter parties are
- a. Sundays and Holidays excepted
 - b. Delays caused by the Master and crew
 - c. Meal breaks and tiffin breaks
 - d. Prayer times according to local custom

Section B

Five Questions of 02 Marks each

- 11. Explain the concept of Dead freight.
- 12. Enumerate important 5 or more Statutory Certificates that are to be mandatorily

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- carried on board Merchant Vessels when they arrive in a foreign port.
13. Explain how World scale helps the Tanker trade.
 14. Name 3 ways in which Port agents can assist the owner in their negotiations for a Voyage C/P.
 15. Discuss how the demolitions of Tankers get affected by Charter hire rate changes.

Section C

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

16. Attempt LAYTIME CALCULATION using following details.

Charter party Terms:

- Allowed lay time for loading: 48 hours
- Allowed lay time for discharging: 72 hours
- Demurrage Rate: \$ 10,000 per day or pro-rata
- Despatch Rate: 50% of demurrage rate

Time Line

- Ship arrives and gives Notice of Readiness (NOR) at the loading port on April 1 at 10:00
 - lay time starts counting after 06 hours of waiting time on April 01 at 16:00
 - Loading completed on April 03 at 18:00
 - Ship arrives and gives NOR at the discharging port on April 10 at 08:00
 - lay time starts counting immediately
 - Discharging completed on April 12 at 12:00
- Calculate the demurrage/dispatch by Reversible and Nonreversible methods

17. a. In the case of Voyage C/P, please explain the responsibilities of Ship-owner.
b. In case of a Time charter party, explain the responsibilities of the Charterer.

18. What is arbitration preferred over other methods of Dispute resolution? Briefly explain about the process.

19. Write short notes on the following
 - a. Subletting in Time charter
 - b. Contract of Affreightment

20. Discuss various important factors which affect the trading of Crude oil. How is New builds and demolitions affect the trading of oil?

21. Discuss the key components and considerations involved in Voyage and Time Charter Estimating in maritime shipping. How do factors such as cargo size, freight calculation methods, dead freight, commissions, and computerization influence the final income and result of a Chartering Decision?

22. Explain the 3 aspects of Bills of lading. How does it become a collateral in the hands of holder of the Bill of lading?

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