

**INDIAN MARITIME UNIVERSITY**  
(A Central University, Govt. of India)

May/June 2015 End Semester Examinations

**SEMESTER – II, M.B.A (PORT AND SHIPPING MANAGEMENT)**

**ECONOMICS OF SEA TRANSPORT (T 1203)**

**Date: 09.06.2015**

**Time: -3 Hrs**

**Max. Marks: 60**

**Pass Marks: 30**

---

**SECTION – A**

**(12x1=12 Marks)**

*Answer ALL the questions. All questions carry equal Marks*

1. The supply of sea transport is influenced by \_\_\_\_\_
  - a) Freight rates
  - b) Number of fleets
  - c) Behaviour of ship investor
  - d) Behaviour of shipper
2. The cost per ton of cargo transport depends on the \_\_\_\_\_
  - a) Annual cost of the ship plus bunker consumed in the year divided by the tons of cargo transported
  - b) Speed at port days
  - c) Number of trips made in a year multiplied with capacity (dwt)
  - d) Transport cost and transport volume
3. What are the components of the shipping market?
  - a) Demand
  - b) Supply
  - c) Freight market
  - d) All of the above
4. Which of the following market doesn't come under shipping market?
  - a) Demolition market
  - b) Freight market
  - c) Pure competition market
  - d) Sales and purchase market
5. Which shipping market, the cash flow is not same?
  - a) Ship building market
  - b) Freight market
  - c) Time charter market
  - d) Demolition market
6. Why charterers prefer to charter the vessel?
  - a) In anticipation of change in the market
  - b) Chartering a vessel maybe cheaper than buying a new one
  - c) Charterer doesn't want to become a ship owner
  - d) All of the above

7. In seaborne trades, during long term trends the major changes to be considered are
- In the demand for that commodity
  - Source of supply
  - Relocation of processing plant
  - All of the above
8. Who is having more obligations towards vessel in bare boat charter party?
- Charterer
  - Shipper
  - Ship owner
  - Ship broker
9. Which charter party agreement “fixed on a time charter basis for a period of a specific voyage and for the carriage of specific cargo”?
- Trip charter
  - Bare boat charterer
  - Voyage charterer
  - Time charterer
10. Charter party agreement specifies?
- Details of ship and contracting parties
  - A description of cargo to be carried
  - Both A and B
  - None of the above
11. The main causes of business cycle that affect shipping demand market are
- Increase in investment, creates new demand/consumer demand
  - Economic decision and their implementation can make cyclical fluctuation
  - Industries adjust their stocks during business cycle
  - All of the above
12. BIFFEX refers to
- Baltic International Freight Fare Exchange
  - Baltic International Freight Futures Exchange
  - Baltic International Freight Foreign Exchange
  - Baltic Indian Freight Fare Exchange

**SECTION – B**

**(5x4=20 Marks)**

***Answer ANY five of the following questions. Each answer should not exceed 200 words.***

13. Explain the factors determining the demand for maritime business.
14. Elucidate with the aid of diagrams the effect of a tariff on an imported product or commodity.

15. Write a short note on relationship between economies of scale and shipping trade size.
16. Is ton-miles a better measure of demand for cargo to be carried than tons? If so, Why?
17. What do you mean by random shocks and its impact on shipping market?
18. Discuss the absolute and comparative advantages in global trade.
19. Briefly discuss the protectionism and free trade in Indian context.

**SECTION – C**

**(4x7=28 Marks)**

***Question No. 20 is compulsory. Answer ANY THREE of the remaining questions  
Each answer should not exceed 500 words.***

20. Discuss the pricing and price discrimination practices of the liners.
21. Explore the macro economic factors affecting the international trade.
22. Elaborate on the freight market, sale and purchase market, ship building market and the demolition market.
23. What are capital costs, operating costs and voyage related costs in charter shipping?
24. Appraise role and functions of the Maritime conferences, alliances and consortia in seaborne trade.
25. Present your opinion about the role of World Trade Organization and North American Free Trade Area in the international sea trade?

\*\*\*\*\*