



UNIVERSITI KUALA LUMPUR
MALAYSIAN INSTITUTE OF MARINE ENGINEERING TECHNOLOGY

FINAL EXAMINATION
JANUARY 2017 SEMESTER

COURSE CODE : LGB41902

COURSE NAME : MARITIME ECONOMICS AND TRANSPORTATION

PROGRAMME NAME : BACHELOR OF ENGINEERING TECHNOLOGY (HONS)
(FOR MPU: PROGRAMME LEVEL) IN NAVAL ARCHITECTURE & SHIPBUILDING

DATE : 11/07/2017 TUE

TIME : 9.00 AM -11.00 AM

DURATION : 2 HOURS

INSTRUCTIONS TO CANDIDATES

1. Please read CAREFULLY the instructions given in the question paper.
 2. This question paper has information printed on both sides.
 3. This question paper consists of TWO (2) sections; Section A and Section B. Answer ALL questions in Section A and THREE (3) questions from Section B.
 4. Please write yours answers on the answer booklet provided.
 5. Write your answers only in BLACK or BLUE ink.
 6. Answer all questions in English.
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THERE ARE 3 PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

SECTION A (Total: 40 marks)

INSTRUCTION: Answer ALL questions.
Please use the answer booklet provided.

Question 1

By using a suitable example, briefly explain the terms below.

- (a) Economy Efficiency (5 marks)
- (b) Monopoly (5 marks)
- (c) Opportunity Cost (5 marks)
- (d) Risk and Uncertainty (5 marks)

Question 2

- (a) Bulk liquid refers to liquid cargo that is transported or stored unpackaged in large volumes. Liquid bulk can be broadly categorised into edible and non-edible commodities. By using suitable example, describe liquid bulk cargo comprises the appropriate carrier to transport it. (10 marks)
- (b) Shipbroking is a financial service, which forms part of the global shipping industry. Shipbrokers are specialist intermediaries/negotiators between ship-owners and charterers who use ships to transport cargo, or between buyers and sellers of vessels. With regards to the shipbuilding industry, describe the duties of a chartered shipbroker. (10 marks)

SECTION B (Total: 60 marks)

INSTRUCTION: Answer 3 (THREE) questions ONLY.

Please use the answer booklet provided.

Question 3

- (a) Liner conference is an organization whereby a number of ship-owners offer their services on a given sea route on conditions agreed by their members. Differentiate between liner shipping and tramp shipping.

(10 marks)

- (b) In microeconomics, supply and demand is an economic model of price determination in a market. With regards to shipbuilding industry point of view, examine the relationship between demand and supply.

(10 marks)

Question 4

- (a) A bill of lading is a standard-form document that is transferable by endorsement (or by lawful transfer of possession). Most shipments by sea are covered by the Hague Rules, the Hague-Visby Rules or the Hamburg Rules, which require that the carrier must issue to the shipper a bill of lading identifying the nature, quantity, quality and leading marks of the goods. Describe the important of Bill of lading to the shipping industry.

(10 marks)

- (b) The Cabotage policy emphasizes that only vessels registered in Malaysia are allowed to load and unload cargoes in the ports of Malaysia. The whole idea behind this policy is that Port Klang is to be the container hub port in Malaysia, which is the main center. In terms of Malaysian practices, discuss the implementations of Cabotage policy.

(10 marks)

Question 5

- (a) A charter party is the contract between the owner of a vessel and the charterer for the use of a vessel. The charterer takes over the vessel for either a certain amount of time or for a certain point-to-point voyage giving rise to these two main types of charter agreement. Compare between demise and non-demise charter.

(10 mark)

- (b) Scheduling of vessel is the art of planning organization activities so that organization can achieve the and profit goals. With regards to liner conference shipping, explain 3 factors to consider in planning schedule.

(10 marks)

Question 6

- (a) Flag of convenience (FOC) is a business practice whereby a merchant ship is registered in a country other than that of the ship's owners, and the ship flies that country's civil ensign. Analyse the roles of Flag of Convenience for economics benefits to ship-owner.

(10 marks)

- (b) Port State Control (PSC) is an internationally agreed regime for the inspection of foreign ships in other national ports by PSC inspectors. The remit of these PSC officers is to investigate compliance with the requirements of international conventions. Compare Port State control and Flag state control.

(10 marks)

END OF QUESTION