



UNIVERSITI KUALA LUMPUR
Malaysian Institute of Marine Engineering Technology

FINAL EXAMINATION
MARCH 2025 SEMESTER SESSION

SUBJECT CODE : LOB20603
SUBJECT TITLE : MARITIME AND ADMIRALTY LAWS
PROGRAMME NAME : BACHELOR OF MARITIME OPERATIONS
(FOR MPU: PROGRAMME LEVEL)
TIME / DURATION : 2.00 PM – 5.00 PM
(3 HOURS)
DATE : 21 JUNE 2025

INSTRUCTIONS TO CANDIDATES

1. Please read **CAREFULLY** the instructions given in the question paper.
2. This question paper has information printed on both sides of the paper.
3. This question paper consists of **TWO (2) SECTION**, Section A and Section B.
4. Answer **ALL** questions in section A and **ONLY THREE (3)** in section B.
5. Please write your answers on the OMR for section A and on an answer, booklet provided in section B.
6. Answer all questions in English language **ONLY**.

THERE ARE 12 PAGES OF QUESTIONS, INCLUDING THIS PAGE.

SECTION A (Total: 40 marks)**INSTRUCTION: Answer ALL questions.****Please use the OMR answer sheet provided.**

1. A foreign investor wants to register a ship under the Malaysian flag. He proposes to set up a company in Malaysia and appoints mostly local directors but intends to keep full control over all voting shares. Can the company qualify to register the ship as Malaysian under Merchant Shipping Ordinance 1952?
 - a) No, because voting shares must be held by Malaysian citizens.
 - b) Yes, because having Malaysian directors is sufficient.
 - c) No, unless the investor also becomes a Malaysian citizen.
 - d) Yes, as long as the company is incorporated in Malaysia.

2. A Malaysian shipowner decides not to register his vessel as he is using it only for domestic fishing trips. However, the ship is not among those exempted. What consequence might he face under MSO 1952?
 - a) The ship will be granted an exemption automatically.
 - b) The ship can be detained until registration is completed.
 - c) The ship will still be considered a Malaysian ship.
 - d) The owner will lose all ownership rights.

3. During a routine inspection, the Port State Control officer finds that a ship registered under the Malaysian flag does not meet safety requirements. What action can the Flag State take according to the ISM Code enforcement procedures?
 - a) Automatically deregister the ship from Malaysian ownership.
 - b) Penalize the crew without affecting the ship's status.
 - c) Withdraw or suspend the ship's safety management certificate.
 - d) Allow the ship to continue operating under warning.

4. A shipowner defaults on mortgage payments. The bank, acting as mortgagee, decides to recover the outstanding debt. Which of the following actions can they legally take?
 - a) Transfer the mortgage to another lender.
 - b) Freeze the mortgagor's bank account.
 - c) Demand arbitration from the maritime tribunal.
 - d) Take possession and sell the ship through legal channels.

5. A mortgagor plans to lease their vessel to another operator. What must they do according to the terms of the ship mortgage agreement?
 - a) Notify the port state control.
 - b) Amend the mortgage deed.
 - c) Seek court approval before transferring.
 - d) Obtain consent from the mortgagee.

6. A Malaysian citizen buys a cargo vessel and wants it to fly the Malaysian flag. What public law benefit will he receive by registering the ship in Malaysia?
 - a) Exclusive rights to Malaysian naval bases.
 - b) Automatic access to any foreign port.
 - c) Freedom of navigation on the high seas.
 - d) Tax exemption on international voyages.

7. A mortgagor continues operating their vessel and earning income from charters while making regular payments. Which of the following rights justifies this action?
 - a) Right to Operate the Ship.
 - b) Right to Sell the Ship.
 - c) Right to Insure the Ship.
 - d) Right to Take Possession.

8. Before a mortgagor can apply for a loan using a vessel as security, what must they first ensure under Malaysian maritime law?
 - a) The ship is registered under the Malaysian flag.
 - b) The ship is insured under an international P&I club.
 - c) The ship is mortgaged to a foreign bank.
 - d) The ship is under technical management by a local firm.

9. A buyer is about to complete the Memorandum of Agreement (MoA) for purchasing a vessel. Before signing, what is the most important due diligence step the buyer must perform?
 - a) Assess the vessel's condition and check for any debts, mortgages, encumbrances, or liens.
 - b) Confirm the ship's crew list and schedule.
 - c) Verify the vessel's insurance policy.
 - d) Arrange for the vessel's insurance after purchase.

10. A buyer in Malaysia signs a contract for a yet-to-be-built vessel. Later, they argue that the agreement should be treated as a construction contract. Which Malaysian case confirms that such contracts fall under the Sale of Goods Act 1957?
- Daewoo v Marine Services Malaysia.
 - NGV Tech Sdn Bhd & Anor v Kerajaan Malaysia.
 - Mir Valve Sdn Bhd v TH Heavy Engineering Berhad.
 - McDougall v Aeromarine of Emsworth.
11. Which of the following best describes Oppenheim's definition of International Law?
- A set of guidelines for moral conduct among nations.
 - A body of customary law and conventional rules binding civilized states in their interactions.
 - A series of suggestions for countries to promote justice, peace, and common interests.
 - A law that governs people of the world irrespective of the political and geographical constraints.
12. Which of the following is **NOT** typically considered a subject of International Law?
- States.
 - Individuals.
 - Local Municipalities.
 - Multinational Corporations.
13. Which article of the Statute of the ICJ is considered the most authoritative statement of the sources of law for Public International Law?
- Article 41.
 - Article 38.
 - Article 51.
 - Article 2(4).
14. "Jus Gentium" in International Law refers to:
- Agreements among nations.
 - Customary law held by people or nations in reasoned compliance with standards of international conduct.
 - A body of treaties and U.N. conventions.
 - Rules governing cross-border legal disputes between private citizens.

15. Which of the following is a characteristic of Public International Law?
- a) It regulates private conflicts between individuals.
 - b) It has a conventional enforcement framework with a worldwide policing organization.
 - c) It applies to the subjects of international law who consent to be governed by it.
 - d) It seeks to resolve disputes in the domestic municipal body.
16. The structure of the international legal system is best described as:
- a) Hierarchical, with some states in a legally dominant position over others.
 - b) Horizontal, because the parties to international treaties are sovereign states.
 - c) Vertical, similar to the structure of domestic legal systems.
 - d) A pyramid, with international organizations at the top.
17. Which of the following statements best compares and contrasts International Law and Municipal Law?
- a) International Law and Municipal Law are both enforced by a global authority, but International Law focuses on state relations, while Municipal Law governs individual conduct.
 - b) International Law relies on the consent of states and operates globally, while Municipal Law is enforced by a country's government within its borders.
 - c) International Law and Municipal Law are essentially the same, with both focusing on maintaining peace and security, but Municipal Law does so on a global scale.
 - d) International Law is derived from a hierarchy of laws and the judgments of higher courts, while Municipal Law is derived from customs, conventions, and treaties.
18. Which of the following best explains why International Law is often considered not a "true law" by some scholars like John Austin and Hobbes?
- a) It is backed by the command of a superior authority and enforced by sanctions.
 - b) It applies only to individuals and not to sovereign states.
 - c) It is solely based on treaties and conventions without any customary basis.
 - d) It is a code of moral force and lacks a centralized enforcement mechanism or sanctions.

19. Which of the following statements accurately contrasts the structure of the International Legal System with that of a Domestic Legal System?
- The International Legal System is horizontal because sovereign states are equal parties, whereas the Domestic Legal System is hierarchical with laws above individuals.
 - The International Legal System is hierarchical with a supreme global authority, whereas the Domestic Legal System is horizontal among states.
 - Both systems rely on a centralized enforcement agency to ensure compliance.
 - The Domestic Legal System lacks a hierarchy of courts, unlike the International Legal System.
20. How does the principle of Jus Gentium differ from Jus Inter Gentes in International Law?
- Jus Gentium refers to treaties and agreements, while Jus Inter Gentes refers to customary law.
 - Jus Gentium is the law of nations based on customary practices, whereas Jus Inter Gentes consists of treaties and formal agreements between states.
 - Jus Gentium applies only to individuals, and Jus Inter Gentes applies only to states.
 - Both principles refer to the same body of international statutes and conventions.
21. Which of the following types of ships are **NOT** typically subject to the SOLAS Convention?
- Passenger ships.
 - Cargo ships of 600 gross tonnage.
 - Fishing vessels.
 - Nuclear ships.
22. What role do Recognized Organizations (ROs) play in SOLAS enforcement?
- They act as international maritime police, directly enforcing SOLAS regulations.
 - They are authorized by flag states to inspect and certify vessels on their behalf.
 - They represent shipowner interests in SOLAS negotiations.
 - They provide financial assistance to developing countries for SOLAS compliance.
23. What is a "Flag of Convenience" (FoC) and how does it potentially undermine SOLAS enforcement?
- It refers to a state-sponsored subsidy program for shipowners.
 - It is a certification mark indicating superior safety standards.
 - It is a system for prioritizing cargo loading in ports.
 - It involves registering ships in states with lax regulations, making it easier to evade stringent safety checks.

24. What was a key motivation for the 1995 amendments to the STCW Convention?
- a) To enhance port state control and ensure seafarers meet objective standards of competence.
 - b) To decrease the minimum rest hours required for watchkeeping personnel.
 - c) To deregulate the maritime industry.
 - d) To eliminate the need for refresher courses.
25. Which of the following is NOT a typical responsibility of shipowners and operators in maintaining compliance with SOLAS standards?
- a) Issuing SOLAS certificates.
 - b) Ensuring that equipment like fire protection systems and lifeboats are functional.
 - c) Training crew members in emergency response and equipment handling.
 - d) Keeping records of inspections, drills, and incidents.
26. Which statement best compares and contrasts the roles of Flag States and Port States in enforcing SOLAS?
- a) Flag States conduct initial surveys and issue certificates, while Port States act as a secondary enforcement mechanism by inspecting visiting ships.
 - b) Flag States are responsible for inspecting ships in ports, while Port States oversee ship registration.
 - c) Flag States and Port States have identical roles, both focusing on penalizing non-compliant ships.
 - d) Flag States primarily focus on environmental regulations, while Port States focus on safety equipment.
27. What is the role of the IMO in enforcing SOLAS?
- a) The IMO directly enforces SOLAS.
 - b) The IMO plays a critical role in monitoring and facilitating compliance.
 - c) The IMO has no role in enforcing SOLAS.
 - d) The IMO only enforces SOLAS for developing countries.

28. Which statement accurately reflects a challenge in the enforcement of the STCW Convention?
- a) The STCW Convention is universally applied, eliminating variations in standards.
 - b) All countries accept STCW certificates without additional assessments.
 - c) Inconsistent interpretation and implementation of STCW standards across different countries can undermine its effectiveness.
 - d) The STCW Convention has a strong central enforcement body that eliminates any variation.
29. What is the significance of Chapter IX of the SOLAS Convention?
- a) It deals with the carriage of dangerous goods.
 - b) It deals with the construction of nuclear ships.
 - c) It deals with the guidelines of maritime security.
 - d) It deals with the safe management and operation of ships, establishing the International Safety Management (ISM) Code.
30. A ship is found to have malfunctioning firefighting equipment during a Port State Control inspection. If this poses a significant risk to the safety of the crew and the vessel, does the Port State Control officer have the authority to prevent the ship from sailing until the issues are resolved, according to SOLAS and STCW?
- a) Yes, the PSC officer has the authority to detain the ship to ensure safety and compliance.
 - b) No, the PSC officer can only issue a warning and request repairs at the next port.
 - c) No, only the flag state can order the detention of a ship.
 - d) Yes, but only if the ship is carrying dangerous goods.
31. What is the key distinction between a Memorandum of Agreement (MoA) and a Bill of Sale (BoS) in the context of ship sales?
- a) The MoA transfers ownership, while the BoS outlines inspection procedures.
 - b) The MoA is a preliminary agreement for sale, while the BoS certifies the successful transfer of ownership.
 - c) The MoA is used for international sales, whereas the BoS is for domestic transactions.
 - d) The MoA outlines the payment terms, whereas the BoS details the condition of the vessel upon delivery.

32. Why might a buyer choose to register each vessel under a separate subsidiary?
- a) To limit the risk of arrest to a single vessel in the event of a maritime claim.
 - b) To simplify tax reporting across the company's fleet.
 - c) To consolidate all liabilities under a single entity for easier management.
 - d) To gain favorable insurance rates on the entire fleet.
33. Which of the following steps should a buyer undertake before finalizing the Memorandum of Agreement (MoA)?
- a) Conducting due diligence to assess the vessel's condition and potential encumbrances.
 - b) Arranging for the vessel's crew and insurance.
 - c) Registering the vessel under the buyer's preferred flag state.
 - d) Negotiating the terms of the Bill of Sale (BoS).
34. In the context of ship sale agreements, what is the significance of including a clause stating "The Vessel is free of any debts, mortgages, encumbrances, and liens" in the Bill of Sale (BoS)?
- a) It protects the buyer from potential arrests due to the seller's prior financial obligations.
 - b) It guarantees the vessel's seaworthiness for a specified period.
 - c) It sets the purchase price of the vessel.
 - d) It transfers responsibility for existing crew contracts to the buyer.
35. Which of the following factors should be accurately reflected in the Memorandum of Agreement (MoA)?
- a) Intended routes of the vessel.
 - b) Details of any sister ships owned by the seller.
 - c) The exact agreed payment method.
 - d) Crew composition of the vessel.
36. Which of the following best describes the role of the "Designated Person" (DP) under the ISM Code?
- a) The DP is responsible for the ship's navigation and cargo operations.
 - b) The DP is the chief engineer responsible for engine maintenance.
 - c) The DP has an organizational position with direct access to top management and addresses hazardous situations reported by the crew.
 - d) The DP is an external auditor who certifies the ship's compliance.

37. Compare the responsibilities of the Flag State with those of Classification Societies in maritime regulation:
- Flag States register ships and ensure compliance, while Classification Societies inspect and certify ships on behalf of Flag States.
 - Classification Societies register ships, and Flag States conduct safety inspections.
 - Both Flag States and Classification Societies are responsible only for crew training.
 - Flag States only investigate accidents, while Classification Societies manage environmental compliance.
38. The International Court of Justice (ICJ) primarily functions to:
- Prosecute individuals for war crimes and genocide.
 - Settle legal disputes between states and provide advisory opinions on international law.
 - Certify ships for compliance with international maritime laws.
 - Regulate the registration of ships and flag state responsibilities.
39. Which of the following is **NOT** a component required in a Safety Management System (SMS) under the ISM Code?
- Procedures for reporting accidents and non-conformities.
 - Instructions to ensure environmental protection.
 - Procedures for internal audits and management reviews.
 - Guidelines for ship construction and design.
40. Which statement correctly contrasts the International Court of Justice (ICJ) and the International Criminal Court (ICC)?
- The ICJ prosecutes individuals for crimes, while the ICC settles disputes between states.
 - The ICJ settles disputes between states and gives advisory opinions, whereas the ICC prosecutes individuals for war crimes, genocide, and crimes against humanity.
 - Both ICJ and ICC are responsible for certifying ships under international maritime law.
 - The ICC only handles environmental protection cases, while the ICJ deals with piracy cases.

SECTION B (Total: 60 marks)

INSTRUCTION: Answer ANY THREE (3) questions.

Please use the answer booklet provided.

Question 1

A towage contract is a legal agreement between a vessel owner or operator and a towing company or contractor. It establishes the terms and conditions of the services provided by the towing company, such as towing, pushing, and berthing of vessels. Towage contracts are important for ensuring the safe and efficient navigation of ships through ports, harbors, and other waterways.

- a) Examine any **FOUR (4)** characteristics of a towage contract under maritime law. (8 marks)
- b) Determine **FOUR (4)** liabilities that can arise for third parties due to negligence during towage. (12 marks)

Question 2

Port State Control (PSC) is the inspection of foreign ships in national ports to verify the condition of the ship and its equipment.

- a) Analyse **FOUR (4)** types of inspection available under Port State Control. (12 marks)
- b) Irrespective of the type of Port State Control inspection carried out on board, it will either result in no deficiencies or some deficiencies. Examine the categories of deficiencies after an inspection below:
- i. Detainable deficiency. (4 marks)
- ii. Deficiency that needs to be corrected before departure. (4 marks)

Question 3

Salvage, in maritime law, refers to the rescue of a ship or its cargo on navigable waters from a peril that, except for the rescuer's assistance, would have led to the loss or destruction of the property.

- a) Outline **SIX (6)** criteria a salvor needs to fulfill in order to be rewarded for his or her effort in salvaging a distress ship according to the Salvage Convention 1989.

(12 marks)

- b) Examine the elements of contract salvage below:

i. Agreement.

(2 marks)

ii. Danger.

(2 marks)

iii. Legal capacity.

(2 marks)

iv. Consideration.

(2 marks)

Question 4

There are two main reasons why a ship needs to be registered in Malaysia. Firstly, it is to update the identity of the ship and to prove the Flag State or nationality of a ship. Registration also allows recording / registering of information related to mortgages where the ship is pledged as security. Registered ships can claim privileges and sovereign protection from the registered Flag State.

- a) Ms. Veshnupriya has newly incorporated a shipping company based in Lumut, Perak. Her company bought one cargo vessel on February 2025.

Examine **FIVE (5)** rules and regulations that her company needs to follow in order for the company's vessel to be qualified to register as a Malaysian ship. Your answer must be based on the Merchant Shipping Ordinance (MSO) 1952.

(10 marks)

- b) Analyse **FIVE (5)** reasons a ship must be registered under a specific country.

(10 marks)

END OF EXAMINATION QUESTIONS

