



Name :

Roll No. :

Invigilator's Signature :

**CS / MBA(NEW) / SEM-3(FT) / SHM-303 / 2009-10
2009**

SHIPPING ECONOMICS & E-BUSINESS

Time Allotted : 3 Hours

Full Marks : 70

The figures in the margin indicate full marks.

*Candidates are required to give their answers in their own words
as far as practicable.*

GROUP – A

(Multiple Choice Type Questions)

1. Choose the correct alternatives for any *ten* of the following :
10 × 1 = 10
- i) The demand for shipping tonnage apart from quantity of goods, also depends on
 - a) distance and speed of the ship
 - b) turn-around time and ballast voyage
 - c) all of these.
 - ii) Elasticity in shipping services depends upon
 - a) demand for product in importing country
 - b) elasticity of supply in exporting country
 - c) both of these.
 - iii) Supply of shipping services is expressed in
 - a) ton-miles
 - b) freight-miles
 - c) cargo-miles.



- iv) Under free trend of trade, shipping freights to a cargo is charged when
 - a) fixed cost as well as reasonable return on investment is recovered
 - b) variable cost and at least a portion of fixed cost are recovered
 - c) price stabilizes towards marginal cost.
- v) In a tramp shipping service
 - a) operating costs are fixed costs
 - b) operating cost do not form part of the fixed overhead
 - c) fixed costs are same as linear operation.
- vi) In developing country like India, ship finance is commonly available through
 - a) commercial national banks and financial institutions
 - b) commercial national banks and share capital
 - c) world bank subsidiaries and intermediary financial institutions.
- vii) Common interest rate for World Bank affiliates for ship financing with repayment period of 10 years and more is
 - a) about 9·25%
 - b) about 8·5%
 - c) about 7·25%.
- viii) Import restrictions are imposed to
 - a) prevent a deficit of payment between import and export
 - b) protect local industries and raise revenue
 - c) reduce unemployment and all of these.



- ix) GATT, a global economic regulation for international trade stands for
- Global appreciation on textile and technology
 - General assessment of trade and transport
 - General agreement on tariffs and trade.
- x) The most important finance management in shipping is
- investment management
 - financial risk management
 - credit management.
- xi) World scale is mainly used to compute
- bulk carrier route tariff
 - tanker route tariff
 - Ro — Ro vessel route tariff.
- xii) In case of collision, maritime insurance is responsible for payment of
- collision damage only
 - collision damage and cargo loss
 - collision damage, cargo loss and delay in cargo delivery.

GROUP – B

(Short Answer Type Questions)

Answer any *three* of the following. $3 \times 5 = 15$

- Enumerate different forms of 'Borrowed funds' of ship financing in India.
 - Why is certain form of fund borrowing most popular in a developing country like India ?
- What is shipping economics cycle and how is the same influenced through related factors ?



4. How is the cost evaluation for a charter hire of tramp shipping reached at ? Highlight different associated charges and costs involved.
5. What are the salient reasons for increased interest in International Trade and the associated reasons for Govt. encouraging exports ?
6. What are financial impacts of a ballast voyage ? How is the same important in assessing shipping service demand ?

GROUP – C

(Long Answer Type Questions)

Answer any *three* of the following. $3 \times 15 = 45$

7. What are balance of trade and balance of payments of a country ? What are the implications involved if 'balance of trade' and 'balance of payment' are not maintained ?
8. Write short notes on any *two* of the following :
 - a) Influence of *E-commerce* in shipping
 - b) World scale
 - c) Investment and return on shipping trade.
9. What are different claims that can arise in case of collision and pollution ? How are these claims addressed and compensated ?
10. What is shipping freight and what are its associated considerations ? What are broad guidelines for charging freight and modes of payment adopted ?
11. A vessel, which is at a foreign port of refuge undergoing repair, is being inspected by average-adjustor of P & I club for possible compensation. Enlist the different documents to be inspected by him and procedure followed. What will be the ceiling of compensation given by the club ?