



Name :

Roll No. :

Invigilator's Signature :

CS/MBA/SEM-3(FT)/SHM-303/2012-13

2012

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 the following :

10 × 1 = 10

- i) Determinant for elasticity of demand in general terms is
 - a) Price of goods
 - b) Income of people in the related area
 - c) Export of the goods to that region
 - d) Import of the related goods from the region.

- ii) Demand for shipping services does not depend upon
 - a) Distance
 - b) Turn around time
 - c) Speed of the ship
 - d) Culture and habits of regional people.



- iii) Demand for shipping services is a
- a) Constant demand
 - b) Derived demand
 - c) Changing demand
 - d) Temporary demand.
- iv) Elasticity of supply at a given price is emphasized as
- a) Degree to which supply responds
 - b) Supply flexibility made under monopoly
 - c) Supply flexibility made under imperfect competition
 - d) all of these.
- v) Measures through which shipping industry adjust the supply of shipping services are
- a) Building new ships
 - b) Transferring from one trade to another
 - c) Adjusting degree of utilization
 - d) all of these.
- vi) Variable costs borne by a liner-operator are
- a) Cost of loading and discharging the cargo
 - b) Cost of fuel, manning & spares
 - c) Cost of port/canal dues
 - d) All of these.
- vii) 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.



- viii) 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.
- ix) 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.
- x) 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%.

GROUP - B

(Short Answer Type Questions)

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

2. a) What are the different form of "own funds" for ship-financing as used in a maritime country ?
- b) Why "own funds" form a small percentage of actual funds required under ship finance ?
3. Enumerate the different cost heads under tramp shipping ? Which head will bear the maximum 'cost' and why ?

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4. What is the theory of "comparative advantage" in International trade ? On what are all factors comparative advantage dependent upon ?
5. What are different factors considered for charter-hire on vessel ? Out of all factors where is finance-involvement highest ?
6. What is a balance sheet ? What are the different heads used in a shipping company's balance sheet ?

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 ?