



2014 ICS Examiner's Report

INTRODUCTION TO SHIPPING (IS)

General comments:

A generalisation this year is to express pleasure at the standard of the answers and especially the standard of English. But, concern must again be expressed about the standard of geographical knowledge. Regrettably this has worsened over the years.

Within these introductory remarks, the opportunity is taken to remind students about the positives of question analysis. This takes just a few minutes prior to commencing the answer and consists of compiling a list of bullet points which you will discuss and deleting these upon completion of the task. This also provides an opportunity for the examiner to form a matrix picture, especially if he is speed-reading. An opportunity is also possible for the examiner to make allowances for intended points which the student has been time de-barred from including in the final answer.

Question 1

This question was intended to be a simple test describing two voyages. Trading routes were shown but in the majority of cases, ports were either not named or wrongly located.

Question 2

This question was extremely well answered and proves the point that junior staff should be involved in the management accounting process at an early stage. Examples were given as requested plus supportive comment and the only adverse remarks to make are that there was occasional confusion between the categorising of the balance sheet and profit and loss items.

Question 3

R – E – D was in most cases clearly described with the functions understood. There were a few variations in describing the document of title, which may be accounted for within local custom and practice and whether or not the cargo is containerised or subject to through bill of lading clauses.

The seawaybill was understood, coupled with a general understanding of the properties which differ from the bill of lading.

Alternatives to these documents were lacking, although there were a few attempts to describe the BOLERO replacement and some specialised NVOCC documentation.

Question 4

In some parts of the world the description shale gas would be unknown and for this reason the question focused upon plain gas. There were some very good answers submitted against this surprisingly popular question with well thought-out answers treating gas both as a marketable commodity and as a fuel.

Question 5

Some background was expected to the bulk carrier market but unfortunately in many cases this information was lacking. Commendably several answers commenced by asking why the market for bulk carriers may become limited.

The role of the Ship Sale and Purchase broker came under the expected scrutiny and comment was mainly slanted towards the various avenues leading towards fleet disposal and why. Some supportive comment was expected from ancillary organisations, such as trade publications and also chartering brokers, but this was sadly lacking.

Question 6 a and b

Congratulations to those who treated cabotage as applicable to ALL forms of transportation within national boundaries. This question was popular with a definite bias toward the benefits applicable to the host country. It would have been appreciated if the answers mentioned the key motivators for the introduction of such a scheme. That is the establishment of a skilled and experienced pool of labour and a home flag fleet. Disadvantages listed were few and far between, with little comment upon the actions which may be taken in retaliation by aggrieved parties.

The USA was used as a prime example of a nation practising cabotage with good supportive and informed comment. But the noteworthy exception was the situations which might arise in times of national disaster and state emergencies.

Question 7 a and b

An introduction was expected defining comparative advantage and pleasingly, answers were direct and to the point, thus proving an understanding. The reader did not come across any confusion between absolute and comparative advantage as was the case in previous years, although in some cases, a sometimes potential overlap was explained.

A principal criticism is that some of the factors of production tended to ignore entrepreneurialism, whilst others experienced difficulty in explaining the term. The importance to the country's economy was in most cases adequately covered.

Question 8

Although the first part of the question is almost a definition in itself, there were some excellent descriptions of the purpose attached to this documentary evidence and the different type of forms commonly in use.

The second part of the question was relatively simple to answer, provided students had studied and understood the basic difference between the two sets of terms. A common fault was some confusion in any understanding as to who supplies bunkers.