



MONDAY 13th MAY - AFTERNOON

ECONOMICS OF SEA TRANSPORT AND INTERNATIONAL TRADE

Time allowed – three hours

Answer any FIVE questions – all questions carry equal marks

Please read the questions carefully before answering

1. Explain the factors that determine the freight rate. Use diagrams to support your answer.

2. Identify and comment on the demand factors that influence a lay-up decision and on the costs incurred when a ship is laid up.

3. Answer **BOTH** parts of the question.
 - a) Describe the types of ships and routes associated with a liner trade of your choice.
 - b) Discuss all the associated fixed, variable and capital costs for this trade.

4. Within the tanker market, describe **ALL** of the following:
 - a) THREE examples of typical cargoes types.
 - b) The main exporters and importers for these cargoes.
 - c) The three major factors that impact the market.

PLEASE TURN OVER

5. Answer **BOTH** parts of the question.
 - a) Define absolute and comparative advantage.
 - b) Discuss the advantages and disadvantages of free trade policies.

6. Using examples to support your answer, explain the concept of 'utility' as it applies to the shipping industry.

7. Define **ALL** of the following;
 - a) Gross Domestic Product.
 - b) Opportunity Cost.
 - c) Balance of Payments.
 - d) Shipping cycles.

8. Critically examine the cost implications of flag registry for an owner /operator and comment on current developments in the open registry sector. Use examples to support your answer.

