

**UNIVERSITY OF FORT HARE  
DEPARTMENT OF ECONOMICS  
ALICE/EAST LONDON CAMPUS**

**ECM311/E**

**Main Examination: June 2023**

**Time: 3:00 Hours**

**Module: Maritime Economics**

**Marks: 100**

**This paper consists of 3 pages, including the cover page**

**Internal Examiners:**

Mr L. Mjacu  
Mr Z. Sita

**External Examiners:**

Mr P. Senzangakhona

**INSTRUCTIONS**

This paper consist of two sections: Section A and Section B.

Section A is Compulsory.

Choose Any Three Questions from section B.

## SECTION A [Compulsory: 25 Marks]

### Question 1

- a) Discuss the different aspects to transport services which contribute to the product to be delivered that the shippers require from their maritime transport suppliers. [8 Marks]
- b) Investors and bankers need to check how much the asset they are buying or financing is really worth. Discuss the features of the ship that the inspector for the bank or investor will note before buying or financing a ship. [8 Marks]
- c) Discuss the contractual arrangement that are frequently used for when employing a ship. [9 Marks]

## SECTION B [Choose Only Three Questions: Each Question Carries 25 Marks]

### Question 1

- a) Discuss the variables in the shipping market model that impact the sea transport demand. [5 Marks]
- b) Identify and discuss the groups of decision-makers that control the supply of vessels. Furthermore, which of these groups dominates the supply side model and how? [10 Marks]
- c) Use the maritime transport sector as an example to explain why the ancient world economies were referred to as separate world economies and the current world economies are called integrated world economies? Further explain how the revolutions in the following assisted in making sure that the current world economies are integrated:
  - i. Industrial developments
  - ii. European colonial system developments
  - iii. Fossil fuel developments

Moreover, discuss how the countries and companies benefit from integrated world economies. [10 Marks]

## Question 2

- a) Since the cargoes transported by sea are not homogeneous. Discuss how the sea transport industry accommodates diversity in cargo. Justify your answer using relevant examples [5 Marks]
- b) Define the terms “flag state and port state”. In addition, discuss why it is important for maritime transport to adhere to the rules and regulations of the flag state and port state. Provide examples. [8 Marks]
- c) Explain why containerized commodities are referred to as general cargo. Furthermore, discuss the benefits of transporting loose commodities using containers instead of packing them into the ship's holds using "dunnage system" to keep it in place. Provide examples in your answer. [12 Marks]

## Question 3

- a) Discuss the determinants of using maritime transport to transport goods. [5 Marks]
- b) Discuss the relevant factors that are considered when estimating how much cash the voyage will actually generate. Provide examples. [5 Marks]
- c) Discuss the variables in the shipping market model that impact the sea transport supply. [5 Marks]
- d) Discuss the contractual arrangements that are commonly used when arranging employment for a ship. Provide examples. [10 Marks]

## Question 4

- a) *“The ship may not arrive to load at the time indicated, there may be a port strike or the ship may break down in mid-Atlantic. A good charter-party will provide clear guidance on precisely who is legally responsible for the costs in each of these events”* Discuss the major components from the principal sections in the charter-party document. [12 Marks]
- b) Discuss the relevant factors that are considered when estimating how much cash the voyage will actually generate. Provide examples. [8 Marks]
- c) Discuss how a large shipping loan syndication process is simplified. [5 Marks]