



NOVEMBER 2024 EXAMINATION SESSION

THURSDAY 14<sup>th</sup> NOVEMBER 2024 - MORNING

# 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. Compare and contrast the advantages of private and public port ownership.
2. Explain **ALL** of the following topics:
  - a) Shipping Cycles
  - b) Competitive market- basic factors
  - c) Theory of Absolute Advantage
  - d) Long run cost
3. Explain the term **derived demand** in the context of shipping.
4. Explain how the "Equilibrium Freight Rate" is determined. Use a diagram to support your answer.
5. Explain the concept of 'utility' as it applies to the shipping industry.
6. Discuss barriers to entry which may occur in the liner trades.
7. Examine the economic impacts of tariffs. Use a graph to support your answer.

**PLEASE TURN OVER.**

8. Answer **BOTH** parts of the question.

Within the dry bulk cargo market are the following four major cargoes:

- i. Iron Ore.
- ii. Grain.
- iii. Thermal Coal.
- iv. Bauxite.

For **EACH** cargo:

- a) give details of what they are used for, the typical cargo size or range, and the type of vessel that would be used for their carriage.
- b) Using the world map provided at the centre of your answer booklet show and label on the map for **each** cargo a typical load port and country and a typical discharge port and country and the cargo route between them. Use different ports for all of these.