



EXAMINER'S REPORT MAY 2022

SHIP OPERATIONS & MANAGEMENT

Q1.

This is consistently the most popular question in this exam and all those candidates who passed got good marks in this question. Candidates should know that a cross section drawing is a look at the vessel from the bow, not a plan which is a bird's eye view. Drawing a plan wastes time and you need it all to answer this question properly. Several drawings were too small and therefore could not show much detail and few showed any evidence of study of a General Arrangement document. Candidates should show familiarity with the important areas of the vessel such as the bow and stern arrangement, and the important features there. Many showed a lack of planning for the exam (see the above). This question will come up in a number of exams, practice drawing so you become proficient as a good well annotated drawing showing knowledge will get high marks. The characteristics of the vessel are also asked for and it is not sufficient merely just to give the dwt, draught, loa, beam, gear and engine power. These should be accurate and backed up with some description of the vessel that shows the examiner you are familiar with this type. Many candidates saved their best efforts for the description of the trade. Remember there are four parts to this question and in principle all parts carry equal marks. When using a map for this part, mark the load and discharge port on the map and show some limited knowledge of the route.

Q2.

It was important to read the question as it was in two parts with a) asking what main information you needed about the vessel to prepare a budget, why these were important, and how they might be affected by operational changes after purchase. Most did this part well by noting that type, size, age, engine, crew and Flag, cargo equipment, trading area, and history were all important and some added Class to this. Why these were important was also done quite well but not as fully as they could. Many were less clear why changes after purchase might affect the budget.

Surprisingly part b) was less well done by some who confused some of the voyage costs in with the operating cost and did the same for some fixed costs as well. Normally this question is a good opportunity to gain high marks and is always one of the most popular. It therefore pays to be accurate, clear, and **fully** answer the question, a list is not sufficient.

3. This calculation question is generally becoming more popular with some notable exceptions at some centres. Again, preparation and using a simple format is the key. I have said many times the need for laying out work clearly, keeping it simple, showing your working and clearly showing your answer. A calculation should be just that: a calculation, laid out clearly so an examiner can give marks for using the right method even if a mistake is made. Use a double page spread, lay out a simple format for finding the answers on one page and fill this in with some of the calculation on the other page. Show your answer to the questions clearly. You should also strive for accuracy in an

examination. KEEP IT SIMPLE. Only the fuel used on the voyage should be in the expenses of the voyage. Do not waste time calculating the cost of the fuel used for each leg of the voyage, only the total fuel **used**.

Part a) was simple with the vessel cubing out at about 41,167 MT. This is within the cargo tolerance and is some 3,904 MT short of the summer dwt. That allows a lot of dwt so the bunkers and constant are not material so the **Quantity to load 41,167 MT**. Part b) The bunkers at the start of the voyage are 300 MT VLSFO 0.5% S IFO & 190 MT LSGasoil and at the end should be 650 MT VLSFO 0.5% S & 250 MT LSGasoil 0.1% S so the amount bought during the voyage should be the amount used plus 350 MT VLSFO 0.5% S and 60 MT LSGasoil 0.1% S. The consumptions should be easy. The choice of bunker port needs to be worked out but the extra costs at New Orleans (delay, barge and fuel use) is \$6,800 compared with \$25 per tonne which is the margin at Cartagena and you need about 950 MT of bunkers in total which is \$23,750 so New Orleans is a better option. **Bunker 849MT VLSFO 0.5% S & 114 MT LSGasoil 0.1% S at New Orleans**. Part c) should be straightforward but too many students chose to put the cost of all the bunkers taken by the vessel into the calculation which is a major error. These same students however know that Bunkers used on a voyage are a Voy cost when answering the cost question. **Earnings per day \$8,239.79**

4. A popular question but one sadly that was not so well done. The rules for vessels without scrubbers using conventional low sulphur fuels are clear and generally well known, it is 0.5% S worldwide but with 0.1% S mandated in some special areas such as ECAs, SESA, s and EU Ports. Where these are should be better known, especially as some students who are living and taking exams in these special areas still seem woefully ignorant of this which argues the quality of their learning is deficient. Ports in S Korea and the area around Hainan Island are now 0.1% S as are vessels navigating in two rivers in China. Candidates should also know the details of the SECAs, ECAs, and EU Ports and their boundaries.

The second part of the question asked how it is possible to ensure that you got the right bunkers at the right price and determine that what you received on board was this. This should have been a chance to get extra marks but still it seems many do nothing more than use a broker/trader and argue about the price. Some did very well but they were the exception.

5. This was not a popular choice and many candidates seemed unfamiliar with the geography of the world and did not properly read the question. You were not required to make a choice of the route only the factors that should be taken into account for making your choice. Lake Maracaibo is a large lake open to the sea in the north of Venezuela and is shown clearly on the world maps provided. There are a number of oil loading ports there. There were a few good answers but some merely concentrated on the weather and the cost of canals. These were valid factors but the presence of Hurricanes would affect all routes for the loading and normally do not track the southern Caribbean Sea. Most candidates mentioned the weather on route some mentioned piracy on the route via Suez and the additional costs for these and delays.

There was little consideration given to commercial constraints, no mention of Worldscale or differentials, and little attention to the current market conditions that might favour one route over another. There was no discussion of the cargo quantity, density, temperature etc or draft issues, or indeed what was agreed in the CP. Some mentioned bunkering locations and showed these on the map with varying accuracy. And with maps it is as well that every student should heed the words printed on the top of all the maps provided in the exam booklet "Please clearly label your drawing including country and port names where appropriate.

6. The question asked how can a company ensure it employs and retains Qualified Certificated & Medically fit seafarers as required by the ISM code and what are the consequences of failing to do so. One of the reasons why the ISM system came into being and mandated QCM seafarers was to address the problem posed by large number of vessels of substandard administrations not doing this thereby endangering seafarers and ships that already did. Some candidates chose to stick to the STCW legislation in their answers and they were marked accordingly and fairly. But the question really expected a larger answer that has been posed in the past. Shipping is no different from any other large company that employs people, you try to get the best ones, you look at their qualifications and experience and you pay an appropriate salary with all the attached benefits. It is a matter of common sense. The difference is that it is much easier to do this in a conventional business; in a conventional office or factory, hands on management generally works well. But seafarers are not in those places, they are out of sight but should not be out of mind. So, it is down to the company to match as best they can shore conditions and offer a whole lot of other benefits to those seafarers because the consequences of not doing this a far more dangerous to a company's survival than a missed meeting, a lost report or machine out of action. The shore business will still continue. The ship may not.

7. A popular question that was generally done well with some good marks. Some candidates showed real knowledge of the structure and roles of the different departments in a management company and were able to expand these by mentioning a variety of responsibilities and tasks covered. Some failed to include an organisation diagram which meant they could not get the marks for this and that may well have made their answers less complete as a diagram showing the roles often leads to you being able to add to your essay the extra duties that may fall to the different departments when you have written this down. For instance, writing that there is an insurance department is one thing but it is a bit of a closed end. Showing it on a drawing may lead to what kind of insurance P&I or H&M, how will it be paid, what other insurance is needed like war risk, what would the company do in a situation like a war, do we have a crisis management team, who is on that team, what about the DPA, what about superintendents, will we need legal advice, are funds available for hostage situations this could go on and the more points you make the more marks you get.

8. This question about the Risks covered by P&I Insurance was straightforward. You were asked to give details of these and what is included in each category. Those who concentrated on writing down the Risks covered and giving details of these got good marks. Some decided to answer this by a history of the formation of P&I clubs of varying length and accuracy. Some went further writing about how they operated and their finances and their interlinks for big claims. While this was interesting it was not asked for, wasted the candidates time and thereby missed out on the marks that would have been given if more risks had been covered properly.