



INSTITUTE OF
CHARTERED
SHIPBROKERS

NOVEMBER 2023 EXAMINATION SESSION
THURSDAY 23rd NOVEMBER 2023 – MORNING

ECONOMICS OF SEA TRANSPORT & INTERNATIONAL TRADE

Time allowed – three hours

Answer any FIVE questions – all questions carry equal marks

Please read the questions carefully before answering

1. Explain why the dry cargo and the tanker markets are referred to as 'perfectly competitive'.
2. Explain the concept of 'elasticity of supply', with the use of suitable diagrams.
3. Identify and explain the principal ways in which the supply of shipping services can be altered.
4. 'Although few countries practice free trade, most economists hold up free trade as a desirable policy'. Discuss.
5. Define and briefly explain ALL of the following topics:
 - a) Price Discrimination
 - b) Equilibrium Freight Rate
 - c) Shipping Cycles
 - d) Break Even Analysis
6. Examine the effects of the imposition of a tariff on an imported product. Use a graph to support your answer.
7. Discuss the advantages and disadvantages of increasing ship sizes.

PLEASE TURN OVER.

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

Within the dry bulk market, describe **ALL** of the following.

- a) Iron ore market.
- b) **FOUR** main importing and exporting countries of iron ore.
- c) Major factors that impact the market, in the short and long term.

Use the world map provided to support your answer.