



PENINSULA
COLLEGE
GEORGETOWN DK266-03(P)



**UNIVERSITY OF
PLYMOUTH**

FINAL EXAMINATION

Semester	:	SEPTEMBER 2025 SEMESTER
Programme Name	:	BA (HONOURS) MARITIME BUSINESS AND LOGISTICS 3+0 IN COLLABORATION WITH UNIVERSITY OF PLYMOUTH
Course Code & Name	:	MAL1041 INTRODUCTION TO SHIPPING BUSINESS AND LAW
Duration	:	3 HOURS

INSTRUCTIONS TO CANDIDATES:

1. Please read the instructions given in the question paper **CAREFULLY**.
2. The question paper consists of **FOUR (4)** questions.
3. Answer **ALL** questions in the Section A and choose **ONE (1)** question in Section B.
4. Answers to the questions are to be written into the examination booklet.
5. Electronic dictionaries, lecture notes, files or any unauthorised materials except writing equipment are strictly prohibited.

This question paper must be submitted along with all used and/or unused rough papers and/ or graph papers (if any). Candidates are **NOT ALLOWED** to take any examination paper(s) used or unused out of the examination hall.

WARNING:

The Examination Board of Peninsula College Georgetown regards cheating as a very serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in accordance with the clauses stipulated in the Students' Handbook, up to and including expulsion from Peninsula College Georgetown.

(This booklet contains 4 printed pages including this page)

DO NOT OPEN THIS BOOKLET UNTIL YOU ARE ALLOWED TO DO SO

Answer **ALL** questions on the separate sheet provided.

[100 marks]

SECTION A (ANSWER ALL QUESTIONS)

1. a) i) Define port state control. (5 marks)
- ii) State **FIVE (5)** regional agreements on port state control. (5 marks)

- b) You are a Port State Control Officer (PSCO) in a Paris MOU member state. You are reviewing the inspection details for the vessel MV Liva Greta (Flag: Liberia) which was detained in Corpach, Scotland.

The inspection report revealed the following facts:

Vessel details	Data
Flag state	Liberia
Past detention	3 detentions in the last 36 months
Total deficiencies	7 deficiencies
Reason for detention	Hull damage impairing seaworthiness; Railing, gangway, walkway, and means for safe passage
Duration of detention	51 days

- i) Explain reasons that MV Liva Greta would have been a high-priority target for a PSC inspection based on established international risk profiles provided.
(Note: Liberia is included in whitelist state of Paris MoU) (10 marks)

- ii) Justify the PSCO's decision to detain the vessel for 51 days. (10 marks)

- iii) Examine FIVE (5) roles performed by the PSCO in the case of MV Liva Greta by outlining the key steps taken from initial targeting to final enforcement (20 marks)

Total [50 marks]

2. a) The types of ship chartering arrangements differ fundamentally in the degree of control transferred from the ship owner to the charterer and the allocation of operational costs.

Distinguish **THREE (3)** different types of ship chartering arrangements. (30 marks)

- b) Global Trade Corp requires the continuous and flexible use of a new LNG (Liquefied Natural Gas) tanker for 12 months, trading between various ports as directed by their gas supply contracts. They hire the vessel *LNG Explorer*.

They agree to a Time Charter with the following terms:

Hire Rate	: USD \$75,000 per day
Vessel Breakdown	: On the second month of the charter, the main engine suffers a mechanical failure due to a technical defect. Repairs take exactly 48 hours from the time the failure was reported. During this period, the vessel was unable to perform its commercial functions.
Voyage Expenses	: The port fees and pilotage for a planned port call during the same period totalled USD \$15,000.

- i) Explain the reason that Global Trade Corp agree to Time Charter, as opposed to a Bareboat Charter. (10 marks)
- ii) Based on the principle of Off-Hire under a Time Charter, calculate the total financial saving (reduction in *Hire*) Global Trade Corp is entitled to due to the 48-hour engine breakdown. (5 marks)
- iii) Explain which party (Owner or Charterer) is ultimately responsible for paying the USD \$15,000 for the port fees and pilotage. (5 marks)
- Total: [50 marks]

SECTION B (Choose ONE (1) questions out of TWO (2) questions)

3. Explain FIVE (5) principles of marine insurance. Support your answer with appropriate examples and law case(s). (100 marks)
- Total: [100 marks]

4. Define the following law terms:

- i) Invitation to treat (5 marks)
- ii) Tort (5 marks)
- iii) Contributory negligence (5 marks)
- iv) Agony of moment (5 marks)
- v) Injunction (5 marks)
- vi) Contract (5 marks)
- vii) Valid offer (5 marks)
- viii) Void contract (5 marks)
- ix) Voidable contract (5 marks)
- x) Privity of contract (5 marks)

- b) Compare contract and tort. Support your answer with appropriate example. (25 marks)

- c) Ali saw a laptop displayed in a store window with a price tag of RM2,000. Excited, he went inside and offered to buy it. However, the salesperson, Mira, informed him that the display was not an offer but only an invitation for customers to make offers, and that the actual selling price was RM2,500.

Later, while driving to another store, Ali suddenly swerved his car to avoid hitting a child who ran into the road. In the process, his car collided with another vehicle owned by Ben, who was speeding at that time. Both parties suffered damages.

At the same time, Ali's friend, Farah, entered into a contract with a construction company to renovate her shop. However, the contractor failed to complete the work and used poor-quality materials. When Farah complained, the contractor claimed that the agreement was "not binding" because it was made orally.

Separately, another neighbour, Rafiq, filed a court case to stop a nearby factory from releasing harmful smoke into his area.

- i) Examine the relevant legal principles to determine whether Mira's laptop display constitutes a valid offer or an invitation to treat. (5 marks)
- ii) Explain the type of tort that occurred in Ali's driving incident, and discuss how contributory negligence and agony of the moment may affect liability. (5 marks)
- iii) Discuss whether the oral agreement between Farah and the contractor constitutes a valid contract. (5 marks)
- iv) Distinguish between a void and voidable contract, giving an example of each based on possible situations in the scenario. (5 marks)
- v) Explain the principle of privity of contract and how it may affect a third party if someone else (not Farah) tries to claim against the contractor. (5 marks)

Total: [100 marks]

- END OF QUESTIONS -