



# TECHNICAL UNIVERSITY OF MOMBASA

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SCHOOL OF BUSINESS

DEPARTMENT OF BUSINESS ADMINISTRATION

**UNIVERSITY EXAMINATION FOR:**

**DEGREE IN MARITIME MANAGEMENT**

**BMM 4101: MARITIME AND SHIPPING ECONOMICS**

**END OF SEMESTER EXAMINATION**

**SERIES: DECEMBER 2016**

**TIME: 2 HOURS**

**DATE: Pick Date Dec 2016**

## Instructions to Candidates

You should have the following for this examination

-Answer Booklet, examination pass and student ID

This paper consists of **FIVE** questions. Attempt question ONE (Compulsory) and any other **TWO** questions.

**Do not write on the question paper.**

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## **Question ONE**

- A) Shipping services is divided into two key broad markets, Tramp shipping or Liner shipping.
- (i) Briefly explain what is Tramp and Liner shipping
  - (ii) Explain the difference between a Port Agent and a Ship Agent (15 Marks)
- B) Discuss the effects of international conflicts such as wars in the Middle East on the demand and supply for shipping services. (15 Marks)

## **Question TWO**

In shipping economics, we talk of the main world cargoes. What are the five major cargoes in the world and how are these cargoes ships around the world (20 Marks)

## **Question THREE (3)**

Define the following economic terms

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- (i) Monopoly
- (ii) Equilibrium Price
- (iii) Oligopoly
- (iv) Tone mile

(20 Marks)

**Question FOUR**

The biggest container vessel in operation in the world is over 19000 TEUs. Explain the reason for the huge size of modern ships today.

(20 Marks)

**Question FIVE**

With reference to maritime economics, briefly discuss what is meant “Derived demand|”

(20 Marks)