

Marking Scheme for Exam I

C/Q

1. Refer to COGSA 1971 Art. III, R.1 and Art. IV, R.1 for support :
 - (a) Degree of fault: want of due diligence or absolute obligation; (10 Marks)
 - (b) Time when the obligation exists: at or before the beginning of the voyage only or application of doctrine of stages as well. (10 Marks)
2. Refer to Art.I(c) of the COGSA 1971 for support:
 - (a) Carried on the deck but not so stated in the bills of lading;(10)
 - (b) Carried under deck but stated in bills of lading as carried on deck.(10)
3. (a) Demurrage: fixed penalty in the c/p for the time, exceeding the laytime, used for loading and discharging by the charterer; (6)
 - (b) Dispatch money: fixed financial incentive award in the c/p for the saving of the time from the laytime.(6)
 - (c) Example. (8)

O/Q

1. Refer to Section 7 of Part II of Merchant Shipping (Liability and Compensation for Oil Pollution) Ordinance which has incorporated the C.L.C.
 - (a) resulting from an act of war, hostilities, civil war, insurrection or an exceptional, inevitable and irresistible natural phenomenon; or (3 marks)
 - (b) was due wholly to anything done or left undone by another person, not being a servant or agent of the owner, with intent to do damage; or(4 marks)
 - (c) was due wholly to the negligence or wrongful act of a government or other authority in exercising its function of maintaining lights or other navigational aids for the maintenance of which it was responsible (3 marks)
2. Refer to s.57 ,s.61, s.62 and s.63 of the marine insurance ordinance for support:
 - (a) irretrievably deprived of or unlikely recoverable; (3 marks)
 - (b) Notice of abandonment needed or not.(3 marks)
 - (c) example(4 marks)
3. (a) Specify the scope of employment within which an order can be given by the charterer; (3 marks)
 - (b) Specify the scope of indemnity made by the charterer; (3 marks)
 - (c) example.(4 marks)
4. (a) particular charges reducing or preventing loss; (1.5 Marks)
 - (b) reasonable ; (1.5 marks)

- (c) caused by an insured peril; (1.5 marks)
- (d) recoverable in addition to total loss (1.5 marks)
- (e) irrespective of percentage (e.g. franchise) (1.5 marks)
- (f) example.(2.5 marks)

5. Refer to (a) and (b) of s. 11 of part IV of the Merchant Shipping (Registration) Ordinance for support:
 correct answer : Hong Konger B is entitled to register the ship in Hong Kong. (10 marks)

6. Refer to s.45 (1) of The merchant Shipping (Registration) Ordinance for support.
 Correct answer: Bank B's mortgage ranks higher in priority order. (10 marks)

Marking Scheme for Exam II

C/Q

1. (a) Bills of lading 's function: Cargo receipt, evidence of contract and documentary title(8 marks);
 (b) waybills' function: cargo receipt, evidence of contract (6 marks);
 (c) mate's receipt's function: cargo's receipt (6 marks).
2. Refer to Salvage Convention of 1989's art. 13 and art. 14.
 (a) no cure no pay of expenses as well as profits for salvage of marine property (10 marks)
 (b) no cure no pay of profits only for salvage of marine pollution (10 marks).
3. (a) ordinary duty of care; (5 marks)
 (b) to provide a seaworthy ship ; (5 marks)
 (c) not to deviate in the prosecution of the voyage; (5 marks)
 (d) not to delay in the prosecution of the voyage. (5 Marks)

O/Q

1. (a) G.A. sacrifice : physical loss;(2 marks)
 (b) G.A. expenses: money spent;(2 marks)
 (c) G.A. contributions: payment of G.A. beneficial parties to share G.A. costs; (2 marks)
 (d) example. (4 marks).
2. Summary of the whole s.11 of Merchant shipping (Registration) Ordinance (10 marks)
3. (a) for breach of warranty in M/I (5 marks):

- (i) condition precedent
- (ii) only lead to discharging of liability rather than termination of contract
- (iii) lead to damage;
- (iv) can be waived.

(b) for breach of warranty in general law of contract (5 marks):

- (i) only lead to damage not termination of contract;
- (ii) can be waived.

4. (a) Demurrage: fixed financial penalty in the c/p for time , exceeding the laytime, used for loading and discharging by the charterer. (5 marks)

(b) damage for détention: unspecified financial penalty for the time , exceeding the laytime, used for loading and discharging by the charterer in the absence of demurrage in the charter party (5 marks)

5. (a) usually, 3/4 collision liability covered; (3 marks)

(b) accidents excluded from the concept of collision; (3 marks)

(c) example.(4 marks)

6. Refer to s.7 (b) of the Merchant Shipping (Liability and Compensation for Oil Pollution) Ordinance which has incorporated the C.L.C. for support.

(a) if the container ship negligently causes the collision, the tanker owner can not escape the liability totally;(5 marks)

(b) if the container ship intentionally causes the collision, the tanker owner can escape the liability totally. (5 marks)