

**DIRECTORATE OF DISTANCE EDUCATION
NALSAR UNIVERSITY OF LAW, HYDERABAD**

M.A. (MARITIME LAW)

**Academic Year: 2024-2025
Third Semester Repeat Examination (May, 2025)**

2.3.8. The Law of Shipping Contracts

Duration of the Examination: 2 ½ hours

Total Marks: 70 marks

INSTRUCTIONS TO CANDIDATES

- a) Read the instructions carefully and adhere to the same.
- b) Please mention your DDE ID No. date of the exam, name of the programme & subject on the Answer Sheet and the Additional Answer Sheets, if any.
- c) The questions to be interpreted as given and no clarification can be sought from the Invigilator.
- d) Clearly indicate the question numbers while answering them. Answers without question numbers / wrong question numbers will not be evaluated.
- e) Write the answers clearly and neatly. Answers in illegible handwriting will not be taken into consideration.
- f) Candidates are prohibited to carry phones or any other electronic devices, books, material etc. in the Examination Hall.
- g) Copying is strictly prohibited and is considered as a serious academic misconduct and the University will take action as it deems fit.

Section – A

Answer FIVE questions out of SEVEN questions and each question carries 10 marks. (5 x 10 marks = 50 marks)

1. Discuss how blockchain technology and smart contracts are transforming the shipping and transport industry. What are the legal and operational challenges associated with their adoption? Illustrate your answer with relevant examples.
2. M/s. OceanTech Ltd. entered into a shipbuilding contract with BlueHarbor Shipyards for the construction of a deep-sea exploration vessel, with delivery scheduled for June 2024. By March 2024, BlueHarbor had completed only 40% of the work, citing supply chain delays and labour shortages. M/s. OceanTech Ltd. served a notice of termination, claiming undue delay and breach of contract. BlueHarbor contests the termination, arguing that the delays were excusable under the force majeure clause. M/s. OceanTech Ltd now seeks to recover advance payments and damages, while BlueHarbor claims compensation for work completed.

Advise M/s. OceanTech Ltd. on whether the termination was lawful, and discuss the remedies available to both parties under principles of contract law and relevant case precedents.

3. Mariner Exports contracts with Neptune Carriers for the shipment of perishable goods from India to Europe. The carriage contract includes a clause stating that the ship is “fit for carriage of refrigerated cargo.” However, upon arrival, a significant portion of the cargo is found to be spoiled due to a malfunction in the refrigeration system. Neptune argues that the clause was a warranty, not a condition, and denies liability for the full loss.

Advise Mariner Exports on whether the clause is a condition or a warranty. What are the implications of this classification for Neptune’s liability? Refer to relevant principles of contract law and shipping precedents in your analysis.

4. Examine the legal framework governing liner contracts of carriage in international shipping. How are such contracts regulated to ensure fair competition, standardization of terms, and protection of shippers’ interests? Refer to relevant international conventions and regulatory bodies.
5. Critically analyse the Basic Structure and the issues in International Commercial Agency Agreements.
6. Critically analyze the key considerations and stages in negotiating a shipbuilding contract.
7. Discuss the various modes of discharge of a contract under contract law. Explain how each mode applies in the context of shipping and transport contracts. Provide examples of how these modes are used to discharge obligations in international trade and shipping agreements.

Section – B

Answer FOUR questions out of SIX questions and each question carries 05 marks. (4 x 5 marks = 20 marks)

- A. Praveen, a minor, entered into a contract with XYZ Shipping Ltd. for the purchase of a vessel. The contract was signed by Praveen's guardian, who was not authorized to act on his behalf. After turning 18, Praveen seeks to void the contract, arguing that he was a minor at the time of signing and thus lacked the capacity to enter into the contract. XYZ Shipping Ltd. insists the contract is valid because the guardian acted on behalf of the minor, and they have already started the construction of the vessel.

Advise Praveen on his ability to void the contract and the legal implications of his action under contract law, specifically addressing the issue of capacity to contract. Discuss the role of a minor in entering into contracts and the potential remedies available to both parties.

- B. Write a note on the liability of infrastructure providers in case of electronic signature in shipping industry.

- C.** Write a note on effects of Buyers termination in case of ship building contracts
- D.** Analyse the legal principles established in the Glencore International AG v. The Owners of the Ship "Nordic Spirit" case regarding the interpretation of delivery clauses in international shipping contracts. How does this case impact the application of Incoterms, and what are the broader implications for parties involved in international trade and shipping contracts?
- E.** Write a note on importance and need for ascertaining credit worthiness of the foreign party in international contractual negotiations
- F.** Write a brief note on the legislations and principles of law applicable to contracts of carriage.