Centre for Aerospace & Defence Laws (CADL)
DIRECTORATE OF DISTANCE EDUCATION
NALSAR UNIVERSITY OF LAW, HYDERABAD

M.A. (Maritime Laws)

Academic Year: 2022-2023

Third Semester - End Semester Examination (January, 2023)

Paper III – 2.3.9. Maritime Economics

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 mis-conduct 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. *Economics is concerned not only with the production and use of wealth but also with man*. In the light of above statement, discuss the meaning and nature of economics. Also explain the concept of micro-economics.

2. *The law of supply and demand combines two fundamental economic principles describing how changes in the price of a resource, commodity, or product affect its supply and demand*. Explain the concept of law of demand and supply in micro-economics.

3. *According to the World Bank, the blue economy is the "sustainable use of ocean resources for economic growth, improved livelihoods, and jobs while preserving the health of ocean ecosystem."* In the light of the given statement, explain the concept of Blue Economy. Also discuss the challenges of blue economy on a global level and the relevance of blue economy in India.

4. *For most shipping investors forecasting is not optional. It is how they earn their living. Whether it is an investment decision like ordering a ship, or deciding which charter to take, the better they anticipate the future, the more profit they make. In fact, if they cannot do that, what is the point? But it is not just shipowners who are in the forecasting business. Banker's lending money, shipyards developing designs, engineering companies selling equipment, rating agencies calculating the risk of default on a bond and ports developing their facilities will all be more successful if they can predict the future better than their competitors.* In the light of the above, explain the concept of maritime forecasting. Also discuss the approach, key elements and forecasting methodologies.

5. *About 120,000 ships of more than 100 tons are in operation around the world, half of them performing transport functions and the other half performing service functions.* In the light of the given statement, explain the concept of Merchant Fleet and Transport Supply. Also explain the economics and role of merchant shipbuilding and scrapping industries.

6. *Shipping cycles create endless problems for shipping investors and analysts alike.* Explain the concept of market cycles in the shipping industry. Also discuss the role, patterns and causes of market cycles in the shipping industries.

7. *Some 11 billion tons of goods are transported by ship each year. This represents an impressive 1.5 tons per person based on the current global population. Shipping's capacity to transfer goods and materials from where they are produced to where they will be ultimately consumed underpins modern life. For an economic region such as the European Union, shipping accounts for 80% of total exports and imports by volume, and some 50% by value.* Keeping the above statement in mind, explain the concept of Seaborne Trade and Transport Systems. Also discuss the principles of Maritime Trade and Bulk Transport.

<u>Section – B</u>

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

A. Market Equilibrium
B. India's Blue Economy and The Indo-Pacific's Future
C. Freight Rate Forecasting
D. Transport of Specialized Cargoes
E. Shipbuilding Market Cycles
F. The Shipping Company Investment Model