

POLITEKNIK
Jabatan Pengajian Politeknik

EXAMINATION AND EVALUATION DIVISION
DEPARTMENT OF POLYTECHNIC EDUCATION
(MINISTRY OF HIGHER EDUCATION)

COMMERCE DEPARTMENT

FINAL EXAMINATION

JUNE 2012 SESSION

P5315: MARINE AND AVIATION INSURANCE

DATE: 24 NOVEMBER 2012(SATURDAY)

DURATION: 2 HOURS (2.30 PM - 4.30 PM)

This paper consists of **FOUR (4)** pages including the front page.

Essay (6 questions – answer 4 questions)

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DO NOT OPEN THIS QUESTION PAPER UNTIL INSTRUCTED

BY THE CHIEF INVIGILATOR

QUESTION 3

Explain the following by referring to Institute Cargo Clause A (ICCA).

- a) **FIVE (5)** perils covered. (10 marks)
- b) **FIVE (5)** exclusions under general exclusion. (10 marks)
- c) Unseaworthiness and unfitness exclusion clause. (5 marks)

QUESTION 4

- a) Explain the content of Section 33(1) of Marine Insurance Act 1906. (4 marks)
- b) State **TWO (2)** purpose of warranty. (5 marks)
- c) What is express warranty and give **THREE (3)** example of express warranty in marine cargo insurance. (5 marks)
- d) Explain on *valued policy* as one types of indemnity for marine cargo insurance policy. Support your answer with example. (10 marks)

QUESTION 5

- a) Explain **TWO (2)** objectives of Warsaw Convention. (3 marks)
- b) Describe basis of carrier liability under this particular convention. (10 marks)
- c) List down **FOUR (4)** information should be inserting in passenger ticket as instructed in this convention. (4 marks)
- d) There are **FOUR (4)** defenses available to the carrier. Explain **ALL**. (8 marks)

ESSAY (100 marks)**INSTRUCTION:**

This section consists of **SIX (6)** essay questions. Answer **FOUR (4)** questions only.

QUESTION 1

- (a) What is Incoterm? Explain. (4 marks)
- (b) Explain **THREE (3)** objectives of Incoterm 1990. (6 marks)
- (c) Explain the obligation of buyer and seller in the most commonly used shipping term below: (15 marks)
- i. FOB
 - ii. CFR
 - iii. CIF

QUESTION 2

As regards to Hague Visby Rules:

- (a) Define the following: (10 marks)
- i. Carriage of goods
 - ii. Goods
 - iii. Ships
 - iv. Contract of carriage
 - v. Carrier
- (b) Explain duty of carrier under: (15 marks)
- i. Article III (1)
 - ii. Article III (2)
 - iii. Article III (3)

QUESTION 6

Discuss whether the air carrier is covered under an aviation insurance policy for each of the case below. Justify your answer.

- a) A baggage flew out of the baggage compartment hitting an infant on board.
(5 marks)
- b) A former employee of the air carrier lost her Guess watch which she left in the toilet whilst on flight.
(6 marks)
- c) Adam, who was on crutches at the time of checking in, claims for damages for his disabilities.
(6 marks)
- d) Mohan, a maintenance crew with the air carrier, suffer severe burns when the hangar he was working at caught fire.
(5 marks)
- e) Damage to the cargo compartment when aircraft made an emergency landing.
(5 marks)