



APPLIES TO ACADEMIC YEAR 2011/2012

## NSA 2512 Organizing the Shipowning Entity

### Programme

Bachelor in Business Administration (BBA) (3. year), Exchange Program

### Responsible for the course

Cathrine Bjune

### Department

Department of Accounting - Auditing and Law

### Term

According to study plan

### ECTS Credits

7,5

### Language of instruction

English

### Introduction

The course offers an introduction to shipping, focusing on the organization of and tasks of shipowning companies. The purpose of shipping companies is to own and operate ships and provide shipping services, and therefore methods for acquiring tonnage through sale and purchase, new building and chartering are covered. The different organizational forms the company can take are covered, including limited companies, joint ventures and shipping pools. The course provides an insight into company law and organizational forms chosen by owners, as well as outsourcing issues and contracts used. There is a focus on the legal aspect of ship management, management contracts and choice of flag. The course is aimed at giving the students a better insight into and understanding of the shipping industry and practice in connection with owning and managing ships.

### Learning outcome

#### Acquired knowledge

The students will learn about the structure of international shipping companies, and the practical and legal challenges facing the shipowners. The course covers the laws and legal rules applicable to limited companies, joint ventures, pooling arrangements, as well as the methods for acquiring ships. Markets and contracts applicable to sale and the purchase of ships, and time chartering, voyage and bareboat chartering are covered together with simple methods for calculating tonnage demand and assessing the costs associated with chartering. This knowledge gives the students an overview of and understanding of the complexity of shipowning.

#### Acquired skills

After completing the course, the students will be able to understand the structure of shipping companies, and how the international aspect of shipping determines chosen organizational forms used and applicable laws. They will also have knowledge about common contracts used for outsourcing of shipping functions, and why third-party providers are often used in a global and highly skilled industry, subject to a large number of international rules and regulations. The students will be able to assess methods for structuring the ownership of ships, and to make comparisons between different forms. The students will recognize the markets for ship sale and purchase, ship building and chartering, and be able to use standard contracts applicable to such transactions

#### Reflection

After completing the course, the students will understand the connection between global consumption and the need for shipping services, and be able to reflect on the need for ships and thus shipowning companies. By focusing on future need and environmental aspects of shipping, the students will be able to make informed reflections on the business of owning and operating ships and the need for third party service providers.

### Prerequisites

None

### Compulsory reading

#### Books:

Falkanger, Thor, Hans Jacob Bull, Lasse Brautaset. 2011. Scandinavian maritime law : the Norwegian perspective. 3rd ed. Universitetsforlaget. Chapters 3,4, 5 and 7  
Grammenos, Costas Th., ed. 2010. The Handbook of Maritime Economics & Business. 2nd ed. London : Lloyd's List. To be posted on Itslearning. Selected chapters. To be distributed in

class  
Stopford, Martin. 2009. Maritime economics. 3rd ed. Routledge. Chapters 4,5,16

**Other:**  
Handouts and selected articles

### **Recommended reading**

**Other:**  
Selected articles

### **Course outline**

- Basic English and Norwegian company law
- Organizing the shipowning company - players in the market
- Limited companies
- Single purpose companies
- Pools and joint ventures
- Tasks and functions of the shipping company
- Ship management and standard contracts commonly used
- Ship sale and purchase
- Shipbuilding contracts
- Basic Chartering of vessels

### **Computer-based tools**

No specified computer-based tools are required.

### **Learning process and workload**

33 hours of lectures and 12 hours of case work and reviews in class.

#### Recommended workload in hours

<b>Activity</b>	<b>Hours</b>
Participation at lectures and excursions	33
Case work and review by lecturer in class	12
Work on cases handed out by lecturer	30
Preparation for lectures	75
Exam preparation	50
<b>Total recommended time use</b>	<b>200</b>

### **Use of hours**

33 hours of lectures, including one excursion with lecturer  
12 hours case work and reviews in class  
45 hours total

### **Examination**

A three-hour written exam concludes the course.

### **Examination code(s)**

NSA 25121 - 3-hour written exam, counts 100% towards the final grade in NSA 2512  
Organizing the Shipowning Entity 7,5 credits

### **Examination support materials**

A BI approved calculator is allowed. TEXAS INSTRUMENTS BA II Plus™  
Support materials at written examinations are explained under exam information in our web-based Student Handbook. Please note use of calculator.  
<http://www.bi.edu/studenthandbook/examaids>

### **Re-sit examination**

At next exam for the course.

### **Additional information**