



APPLIES TO ACADEMIC YEAR 2012/2013

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 overview of the various ways of organizing the ownership of ships, from captains sailing their own ships to large commercial vessels owned by multinational companies, operated even through pools and joint ventures. The new ways of owning ships will be examined, due to market and fleet volatility. We will look at general organisational forms of companies and see how vessels are operated in the markets, and focus on how the shipowning companies, how they are organised, how they are managed, internally or by using third party providers. The role of third party ship managers will also be covered.

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. Ship finance is important when purchasing a newbuilding or a used vessel. The students will learn from the banks that deal with these risks from all perspectives and positions on this hot topic. 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 rules applicable to limited companies, joint ventures, pooling arrangements, as well as the methods for acquiring ships, building contracts or used ship. Markets and contracts applicable to sale and the purchase of ships, and how such procedures are carried through from start to conclusion will be covered. 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 and Lasse Brautaset. 2011. Scandinavian maritime law : the Norwegian perspective. 3rd ed. Universitetsforlaget. Chapters 3,4, 5 , 6 and 7

Stopford, Martin. 2009. Maritime economics. 3rd ed. Routledge. Chapters ,6,7,8, 16. Selected chapters will be mandatory reading

Other:

Grammenos, Costas Th., ed. 2010. The Handbook of maritime economics and business. 2nd ed. Lloyd's List. Selected chapters to be posted on Itslearning

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

Activity	Hours
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
Total recommended time use	200

Use of hours

36 hours of lectures, including one excursion with lecturer

9 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