



APPLIES TO ACADEMIC YEAR 2013/2014

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 organising the ownership of commercial vessels, through limited companies, partnerships, pools and joint ventures. The course provides an insight into company law and organizational forms chosen by owners. The management of such companies is covered, as well as the need for and use of third party service providers. The course examines the need for ships and the different ship types used in international trade. The legal framework the companies operate within, ship registration, choice of flag issues and classification is covered. The course also gives an overview of the markets in which the ships operate, and the factors determining changes in the markets and freight rates.

The purpose of shipping companies is to own and operate ships, and provide shipping services, and thus methods for acquiring and financing tonnage through sale and purchase, new building and chartering are covered. 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 the students will learn how world trade impacts on the decisions to invest in different types of ships. The students will also learn how the rules and regulations of different flag states and port states affect the set up and management of shipping companies. This knowledge gives the students an overview of and understanding of the complexity of acquiring, owning and operating ships.

Acquired skills

After completing the course, the students will be able to understand the ownership structure of shipping companies, and how the international aspect of shipping and trade determine the investment in ships and the organisational form of shipping companies. The students will learn how to use and apply common contracts used for outsourcing of shipping functions, and why third-party providers are often used when managing shipping companies operating in a global and highly skilled industry. The students will also be able to use contracts for ship building and sale and purchase of ships and understand the concepts of ship finance, registration and classification. 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 different types ships and the ownership structures chosen for ships. 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

Stopford, Martin. 2009. Maritime economics. 3rd ed. Routledge. Chapters 2,3,4,5,7,10,14,16. 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
selected standard contracts with commentaries published by BIMCO

Recommended reading

Other:

Selected articles

Course outline

- Basic English and Norwegian company law
- The shipping market and its different players
- The functions of the shipping company and the responsibilities of a ship owner
- Ship management and standard contracts commonly used when outsourcing management functions
- Types of ships and their role in world trade
- Ship registration and choice of flag
- The legal framework of the shipping industry
- Ship sale and purchase
- Methods for ship finance and the role of the banks
- Shipbuilding contracts
- The markets in which the ships and companies operate

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	36
Case work and review by lecturer in class	9
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