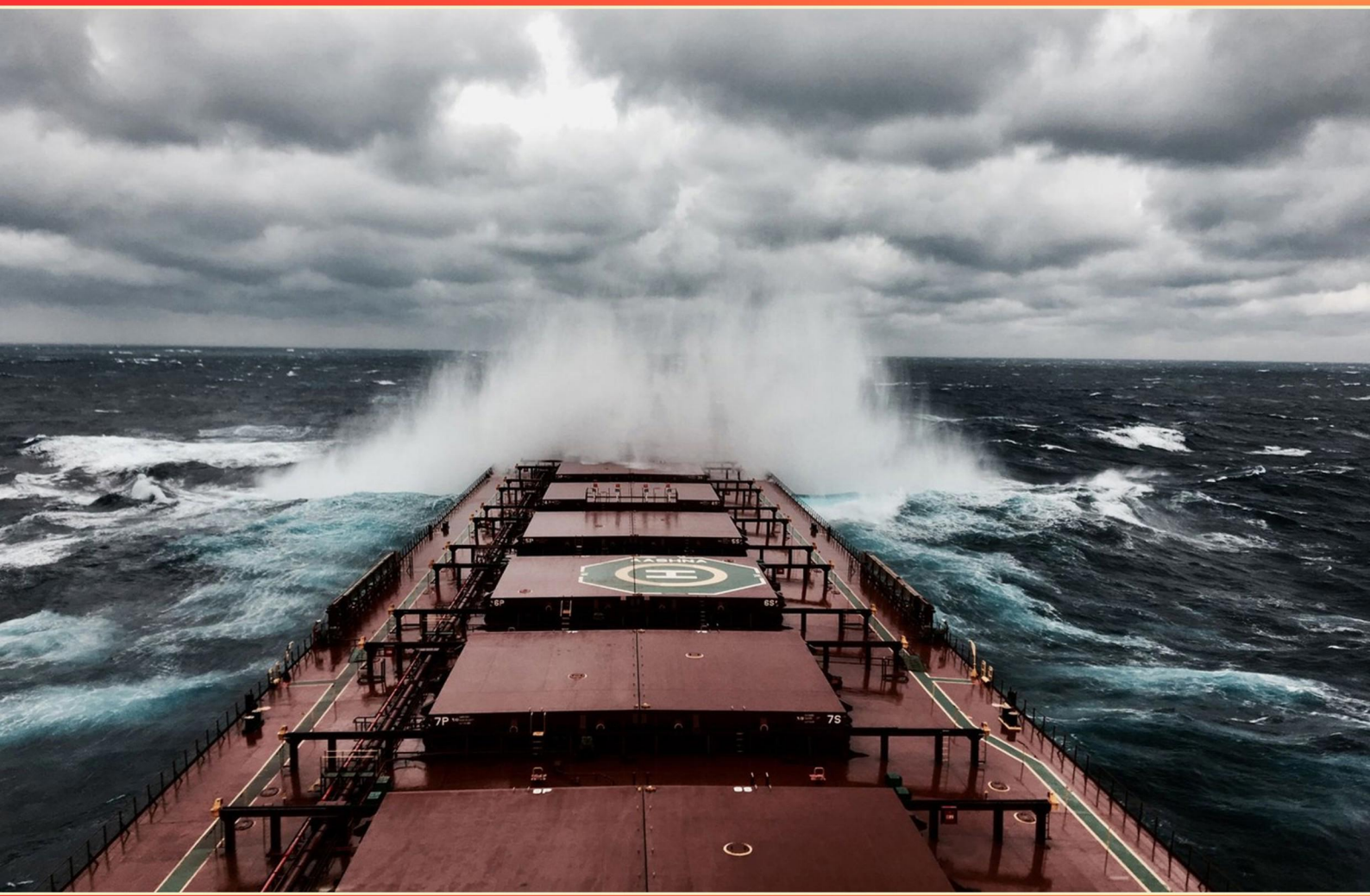
SHIPPING BUSINESS PRACTICE TEST (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

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How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

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Questions

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1. Cyclone meaning is?

A. Tropical revolving storms in the Bay of Bengal (India) from October to December

B. Hurricanes in Caribbean and Gulf of Mexico, July to October

C. Typhoons in the China Sea, July to October

D. Doldrums near the equator

2. In the chain of carriage, which statement is correct about Master B/L and House B/L and how they allocate liability?

A. Master B/L is issued by the shipper to the consignee

B. Master B/L is issued by the carrier to the forwarder; House B/L is issued by the forwarder to the shipper; liability flows along the contract of carriage

C. They are the same document

D. They have no liability implications

3. In CIF terms, who pays for freight and insurance?

A. Seller pays freight and insurance.

B. Buyer pays freight and insurance.

C. Seller pays freight only; buyer pays insurance.

D. Buyer pays insurance only; seller pays freight.

4. Which statement about despatch and demurrage is true?

A. Despatch is a penalty charged for late discharge.

B. Despatch is paid when loading/discharging takes longer than allowed.

C. Despatch is a payment to the charterer when operations finish earlier than the allowed time.

D. Despatch is the fee for additional port calls.

5. How do time bars interact with laytime in a charter party?

A. Laytime runs within defined working hours and days; time bars define when laytime can commence or pause

B. Time bars determine the maximum duration of voyage

C. Laytime is counted regardless of time bars

D. Time bars are unrelated to laytime and only affect demurrage

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6. Which of the following is NOT one of the three classic roles of a bill of lading in international carriage of goods by sea?

A. It Is A document of title to the goods.

B. It Is a receipt for the goods on board.

C. It Is evidence of the contract of carriage.

D. It Proves payment of freight.

7. Which statement best describes a Sea Waybill in relation to a Bill of Lading?

A. Sea Waybill is a document of title.

B. Sea Waybill is not a document of title and cannot normally transfer title.

C. Sea Waybill always includes cargo insurance.

D. Sea Waybill and Bill of Lading are identical.

8. During wartime, what is the obligation of a flag state?

A. Give up the vessel in the event of war

B. Maintain sailing as usual

C. Cease all trading operations

D. Pay additional wartime duties

9. Which item is not covered by P&I insurance but is covered by Hull and Machinery?

A. Hull damage to the vessel.

B. Personal injury to crew.

C. Cargo damage to goods on board.

D. Collision.

10. What is Port State Control inspection, and which deficiencies commonly lead to detention?

A. Deficiencies include life-saving equipment, fire safety equipment, certificates, and pollution prevention measures.

B. Deficiencies relate to crew leisure facilities.

C. Deficiencies relate to decorative paint.

D. Detention is decided by port dues.

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Answers

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1. A
2. B
3. A
4. C
5. A
6. D
7. B
8. A
9. A
10. A

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Explanations

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1. Cyclone meaning is?

A. Tropical revolving storms in the Bay of Bengal (India) from October to December

B. Hurricanes in Caribbean and Gulf of Mexico, July to October

C. Typhoons in the China Sea, July to October

D. Doldrums near the equator

Cyclone is the term used for a tropical revolving storm. In this regional context, it refers to tropical cyclones in the Bay of Bengal area, which commonly occur and are most notable in the October–December period. The other options describe storms or phenomena in different regions or features that are not cyclones: hurricanes form in the Caribbean and Gulf of Mexico, typhoons occur in the western Pacific, and the doldrums are calm wind zones near the equator. So the best description given is tropical revolving storms in the Bay of Bengal (India) from October to December.

2. In the chain of carriage, which statement is correct about Master B/L and House B/L and how they allocate liability?

A. Master B/L is issued by the shipper to the consignee

B. Master B/L is issued by the carrier to the forwarder; House B/L is issued by the forwarder to the shipper; liability flows along the contract of carriage

C. They are the same document

D. They have no liability implications

In a chain of carriage there are two separate contracts of carriage that govern liability. The Master B/L is the contract between the carrier and the party that hires the carriage (usually the freight forwarder), covering the movement on the vessel and the carrier's liability for that leg. The House B/L is the contract between the freight forwarder and the shipper (or consignee) for the goods under the forwarder's arrangement, outlining the forwarder's obligations to the shipper. Because they are separate agreements, liability is allocated along each contract: the shipper's claim arises under the House B/L against the forwarder, and the forwarder can seek indemnity or recourse from the carrier under the Master B/L for the portion of carriage handled by the carrier. This is why the description that the Master B/L is issued by the carrier to the forwarder and the House B/L is issued by the forwarder to the shipper, with liability flowing along the contract of carriage, is correct.

3. In CIF terms, who pays for freight and insurance?

A. Seller pays freight and insurance.

B. Buyer pays freight and insurance.

C. Seller pays freight only; buyer pays insurance.

D. Buyer pays insurance only; seller pays freight.

In CIF terms, the seller covers the costs to bring the goods to the named port of destination, which includes paying for freight and arranging marine insurance. The risk transfers from seller to buyer when the goods are loaded on the vessel, but the insurance and freight obligations are already handled by the seller. So, the seller pays both freight and insurance. The buyer then takes on costs only after the goods reach the destination and are ready for import and onward transport.

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4. Which statement about despatch and demurrage is true?

A. Despatch is a penalty charged for late discharge.

B. Despatch is paid when loading/discharging takes longer than allowed.

C. Despatch is a payment to the charterer when operations finish earlier than the allowed time.

D. Despatch is the fee for additional port calls.

Despatch and demurrage are time-based incentives in a voyage charter. Laytime sets the allowed period to load and discharge cargo. If operations finish before this window ends, a despatch payment is made by the shipowner to the charterer as a reward for saving time, which helps the vessel be released sooner. If operations run over the laytime, demurrage is charged by the shipowner to the charterer for the extra time spent in port. The statement that despatch is a payment to the charterer when operations finish earlier than the allowed time is the accurate description, reflecting this time-saving incentive. It isn't a penalty for delays, and it isn't related to fees for additional port calls.

5. How do time bars interact with laytime in a charter party?

A. Laytime runs within defined working hours and days; time bars define when laytime can commence or pause

B. Time bars determine the maximum duration of voyage

C. Laytime is counted regardless of time bars

D. Time bars are unrelated to laytime and only affect demurrage

Time bars control when laytime can run by laying out the working windows for loading and unloading. Laytime is the allocated period for those operations, and the time bars specify the days and hours during which that counting can occur. Outside those windows, counting pauses or doesn't start, and it may resume when the bar comes back into effect. This is why the best choice is that laytime runs within defined working hours and days, and time bars define when laytime can commence or pause. In practice, holidays, weekends, or port closures can create pauses, delaying when demurrage clock starts or resumes because laytime wasn't ever counting during those non-working periods. The other options don't fit: time bars don't set a maximum voyage duration; laytime is not counted regardless of time bars; and time bars are not unrelated to laytime since they directly govern when laytime can run and thus affect demurrage.

6. Which of the following is NOT one of the three classic roles of a bill of lading in international carriage of goods by sea?

A. It Is A document of title to the goods.

B. It Is a receipt for the goods on board.

C. It Is evidence of the contract of carriage.

D. It Proves payment of freight.

In international sea carriage, the bill of lading serves three principal roles: it acts as a document of title to the goods, it serves as a receipt for the goods on board, and it evidences the contract of carriage between the shipper and the carrier. It is not used to prove payment of freight. The bill can indicate whether freight is prepaid or payable on arrival, but actual payment is a separate financial event and not proven by the bill itself. So the statement about proving payment of freight is not one of the three classic roles.

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7. Which statement best describes a Sea Waybill in relation to a Bill of Lading?

A. Sea Waybill is a document of title.

B. Sea Waybill is not a document of title and cannot normally transfer title.

C. Sea Waybill always includes cargo insurance.

D. Sea Waybill and Bill of Lading are identical.

A Sea Waybill serves as evidence of the contract of carriage and as a receipt for the goods, but it is not a document of title and cannot normally transfer ownership. That distinction matters because a bill of lading can be a document of title; when it is negotiable, title to the goods can pass by endorsement or delivery of the document. With a Sea Waybill, delivery is typically to a named consignee without transferring title through the document itself, which is why it's non negotiable. Insurance for the cargo is not automatically included in a Sea Waybill and would be a separate arrangement. So this statement correctly highlights that a Sea Waybill is not a document of title and cannot normally transfer title, unlike a bill of lading.

8. During wartime, what is the obligation of a flag state?

A. Give up the vessel in the event of war

B. Maintain sailing as usual

C. Cease all trading operations

D. Pay additional wartime duties

The main idea here is that during war the flag state must support its government's needs for national defense, which can include requisitioning civilian ships for war purposes. When hostilities begin, the state may order ships under its flag to be placed under government control to be used for troop transport, cargo, or other military tasks. In that sense, the obligation is to give up the vessel if ordered, rather than insisting on normal commercial operation. This reflects the sovereign right of a state to marshal resources for national defense and is typically handled with some form of compensation to the owners later on. The other options don't fit wartime realities: ships don't continue sailing as if nothing changed, they don't all cease trading, and paying extra wartime duties isn't the flag state's obligation about the vessel's status in wartime.

9. Which item is not covered by P&I insurance but is covered by Hull and Machinery?

A. Hull damage to the vessel.

B. Personal injury to crew.

C. Cargo damage to goods on board.

D. Collision.

P&I insurance covers liabilities to third parties arising from the ship's operations, such as injuries to crew or damage to cargo or other ships, while Hull and Machinery covers the vessel's own physical damage to its hull and equipment. Because hull damage is damage to the ship itself—not a third-party liability—it's handled by Hull and Machinery, not P&I. So the hull getting damaged is the scenario not covered by P&I but covered by Hull and Machinery. Personal injury to crew, cargo damage to goods on board, and collision liabilities are addressed by P&I as third-party claims.

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10. What is Port State Control inspection, and which deficiencies commonly lead to detention?

A. Deficiencies include life-saving equipment, fire safety equipment, certificates, and pollution prevention measures.

B. Deficiencies relate to crew leisure facilities.

C. Deficiencies relate to decorative paint.

D. Detention is decided by port dues.

Port State Control inspections are port authority checks to verify a vessel's compliance with international safety, security, and environmental standards while in port. They focus on how the ship is equipped and documented, ensuring it meets conventions like SOLAS and MARPOL. The reason this option is the best is that it highlights the key areas that, if found deficient, commonly lead to detention: life-saving equipment and arrangements, firefighting equipment and fire safety measures, the validity and presence of required certificates and documents, and pollution prevention measures. These areas directly affect the vessel's safety of life at sea and its environmental obligations, so deficiencies here are the main triggers for detention until corrected. Other options don't fit PSC detention criteria. Crew leisure facilities aren't a primary determinant for detention, decorative paint has no bearing on safety or environmental compliance, and detention decisions are not made based on port dues but on the vessel's compliance status revealed during the inspection.

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Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

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We wish you the very best on your exam journey. You've got this!

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