

TITLE III - Special Contracts of Maritime Commerce Practice Test (Sample)

Study Guide



Everything you need from our exam experts!

Copyright © 2026 by Examzify - A Kaluba Technologies Inc. product.

ALL RIGHTS RESERVED.

No part of this book may be reproduced or transferred in any form or by any means, graphic, electronic, or mechanical, including photocopying, recording, web distribution, taping, or by any information storage retrieval system, without the written permission of the author.

Notice: Examzify makes every reasonable effort to obtain accurate, complete, and timely information about this product from reliable sources.

SAMPLE

Table of Contents

Copyright 1

Table of Contents 2

Introduction 3

How to Use This Guide 4

Questions 5

Answers 8

Explanations 10

Next Steps 16

SAMPLE

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.

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!

Questions

SAMPLE

- 1. In the case of a ship sinking, what determines salvage costs?**
 - A. They are at the discretion of the ship's captain**
 - B. They are negotiated between the shipowner and the salvager**
 - C. They are set by maritime law**
 - D. They are determined by the type of cargo**

- 2. If cargo is damaged due to its own defects, what happens to the freight payment?**
 - A. The freight is waived**
 - B. It pays full freight as agreed in the contract**
 - C. Half freight is required**
 - D. No payment is made**

- 3. What rights does the transferee acquire when a bill of lading is transferred?**
 - A. All rights and claims that the original holder had**
 - B. Only the right to receive the goods**
 - C. The right to sell the goods to a third party**
 - D. Additional rights outlined in the shipping contract**

- 4. What must happen if the original captain resigns before the voyage?**
 - A. The new captain must ratify the previous bills of lading.**
 - B. The cargo must be returned to the sender.**
 - C. A new set of bills of lading must be issued.**
 - D. The old captain retains liability for the cargo.**

- 5. What authority does the captain have regarding cargo if it is necessary to cover costs?**
 - A. Only to store it**
 - B. Sell it**
 - C. Transfer it to another ship**
 - D. Keep it until costs are covered**

- 6. In the event that a passenger's luggage is damaged due to a storm, what is the captain's liability?**
- A. The captain is liable for all damages caused by natural events.**
 - B. The captain is liable only if the luggage is lost.**
 - C. The captain is not liable for the damage.**
 - D. The captain must cover half of the damages.**
- 7. Can a captain change the cargo's destination on their own?**
- A. No, they must collect the original bills of lading first**
 - B. Yes, if it's more economical**
 - C. Yes, if the receiver agrees**
 - D. No, they must inform the shipping company first**
- 8. What is a loan in kind?**
- A. A loan using goods or merchandise instead of money**
 - B. A loan that can only be repaid with interest**
 - C. A loan given for a specific duration**
 - D. A loan guaranteed by a third party**
- 9. If the charter party does not state loading/unloading time, what applies?**
- A. Court decisions**
 - B. Customs of the port**
 - C. The captain's discretion**
 - D. The owner's terms**
- 10. What must a charterer pay if they request early unloading?**
- A. Only freight for the delivered goods**
 - B. Full freight and damages caused**
 - C. Only expenses of the stop**
 - D. No additional payment is needed**

Answers

SAMPLE

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

SAMPLE

Explanations

SAMPLE

1. In the case of a ship sinking, what determines salvage costs?

A. They are at the discretion of the ship's captain

B. They are negotiated between the shipowner and the salvager

C. They are set by maritime law

D. They are determined by the type of cargo

The determination of salvage costs primarily hinges on the negotiation between the shipowner and the salvager. This process allows both parties to arrive at a mutually agreed upon compensation for the services provided during the salvage operation. The nature of salvage is inherently contract-based; thus, it facilitates the possibility for negotiation reflecting the specifics of the case—such as the complexity of the salvage operation and the risks involved. In practice, the salvage award can depend on various factors, including the value of the property saved, the difficulty of the service, and the level of risk the salvager undertakes. However, the salvor and the owner must come to an arrangement based on these factors, which is reflective of the fundamental principles of maritime commerce. While maritime law does provide a framework and set guidelines for salvage operations and awards, it does not dictate fixed amounts; instead, it leaves substantial room for negotiation. The flexibility of this arrangement allows for tailored solutions based on the unique circumstances of each incident, which is a crucial aspect of maritime practice.

2. If cargo is damaged due to its own defects, what happens to the freight payment?

A. The freight is waived

B. It pays full freight as agreed in the contract

C. Half freight is required

D. No payment is made

When cargo is damaged due to its own defects, the freight payment is typically required in full as originally agreed in the contract. This principle arises from the understanding that the obligations of the carrier to transport the cargo and the obligations of the shipper to pay for the transportation are separate. If the damage is attributable to the inherent nature of the cargo itself (such as spoilage of perishable goods or defects in the product), the freight remains due because the carrier fulfilled their contractual duty to transport the cargo even though the cargo was not in a suitable condition for transport. The rationale is that the carrier's obligation is to deliver the cargo, not to guarantee its condition upon arrival. Therefore, while the shipper may have a claim against the seller or manufacturer of the goods for the damage caused by inherent defects, it does not affect the carrier's right to receive payment for their services. This principle reflects broader contract law concepts where performance of a contract (in this case, transport) is acknowledged and compensated regardless of the subsequent condition of the subject matter, assuming that performance was executed properly.

3. What rights does the transferee acquire when a bill of lading is transferred?

- A. All rights and claims that the original holder had**
- B. Only the right to receive the goods**
- C. The right to sell the goods to a third party**
- D. Additional rights outlined in the shipping contract**

When a bill of lading is transferred, the transferee acquires all rights and claims that the original holder had. This means that the new holder steps into the shoes of the original holder and can exercise the same rights, which typically include the right to receive the goods, to claim damages for any breach of the contract, and often also the right to transfer or further negotiate the bill. The concept of a bill of lading serves as both a receipt for the goods and as a document of title. Therefore, when it is transferred, the transferee gains the full spectrum of rights associated with it, promoting the smooth operation of trade and ensuring that parties can engage in commerce with certainty regarding their entitlements. In contrast, the other options limit the scope of rights acquired by the transferee. For instance, stating that the transferee only receives the right to the goods does not encompass the potential legal claims and remedies that come with the bill. Similarly, while the right to sell the goods is certainly a possibility, it's not a definitive right and does not cover the full range of claims original holders may have. Lastly, indicating additional rights specifically outlined in the shipping contract could mislead, as the standard assumptions about bill of lading transfers typically cover all

4. What must happen if the original captain resigns before the voyage?

- A. The new captain must ratify the previous bills of lading.**
- B. The cargo must be returned to the sender.**
- C. A new set of bills of lading must be issued.**
- D. The old captain retains liability for the cargo.**

The situation involves the transition of leadership aboard a vessel when the original captain resigns before a voyage. In maritime law, the bills of lading serve as crucial documents that establish the contract of carriage between the shipper and the carrier. When a new captain assumes responsibility, it is essential for this new captain to ratify any previous bills of lading that were issued under the original captain's authority. This ratification signifies the new captain's agreement to honor the commitments and terms laid out in those bills of lading, thus ensuring a seamless continuation of the voyage and maintaining the legal protections and obligations related to the cargo. Without this ratification, there could be confusion regarding responsibilities and liabilities concerning the goods, which could potentially lead to disputes among parties involved in the shipping process. Choosing this option reflects an understanding of the continuity of contracts in maritime operations, ensuring that the obligations concerning the cargo are upheld despite the change in command.

5. What authority does the captain have regarding cargo if it is necessary to cover costs?

- A. Only to store it**
- B. Sell it**
- C. Transfer it to another ship**
- D. Keep it until costs are covered**

The authority of a captain regarding cargo, particularly in the context of covering costs, is rooted in maritime law and the responsibilities placed on shipmasters. Selling the cargo is a power that allows the captain to take decisive action when necessary to cover expenses. This is particularly relevant in scenarios where the cargo may be at risk, such as when the ship faces potential financial liabilities, or if the costs of keeping the cargo on board outweigh the benefits. Captains are tasked with protecting the interests of the ship, its crew, and the vessel's financial obligations. If keeping the cargo poses an untenable financial burden, the captain has the authority to sell it, thus ensuring that costs related to the voyage or ship operations can be mitigated. This action typically occurs under the principle of "necessity," where the shipping master must act prudently to prevent greater losses. Practical considerations further support this authority, as the sale of cargo can also help settle debts or expenses incurred during transit, allowing for better management of the vessel's finances. While other options might discuss alternatives such as storing, transferring to another ship, or holding onto the cargo, these do not provide the same direct mechanism for covering costs as the act of selling, which is precisely why selling is viewed as

6. In the event that a passenger's luggage is damaged due to a storm, what is the captain's liability?

- A. The captain is liable for all damages caused by natural events.**
- B. The captain is liable only if the luggage is lost.**
- C. The captain is not liable for the damage.**
- D. The captain must cover half of the damages.**

In maritime law, the liability of a captain regarding passenger luggage is generally limited, especially when damage occurs due to natural events such as storms. The principle at play is that when damage arises from acts of God, or unforeseen and uncontrollable natural occurrences, the carrier — in this case, the captain — is typically not held liable. This is rooted in the understanding that the captain and the ship crew cannot be reasonably expected to control or mitigate the impact of nature. When it comes to a storm causing damage to luggage, it is considered an event outside of the captain's control, which absolves them from liability. The purpose of this framework is to protect maritime operators from the unpredictability inherent in maritime travel, recognizing that nature can impose risks that are not related to the actions or negligence of the ship's crew. Hence, the assertion that the captain is not liable for the damage aligns with established maritime principles, emphasizing that liability can be limited in cases involving natural disasters. The other options suggest varying degrees of liability that would not be applicable under these circumstances, as the captain cannot foresee or prevent damage caused by a storm.

7. Can a captain change the cargo's destination on their own?

A. No, they must collect the original bills of lading first

B. Yes, if it's more economical

C. Yes, if the receiver agrees

D. No, they must inform the shipping company first

The correct choice emphasizes the importance of the original bills of lading in the shipping process. A captain cannot change the cargo's destination independently primarily because the bills of lading represent a legal contract between the shipper and the carrier detailing the terms under which the goods are to be transported. These documents ensure that the rights of all parties involved are protected, including those of the shipper and the consignee. By requiring the original bills of lading, the impetus is placed on maintaining the integrity of the shipping contract and ensuring that any changes to the destination are officially sanctioned and documented. This protocol helps prevent unauthorized changes that could lead to disputes over cargo ownership, liability, or other legal issues. The scenario where a captain might seek to change the destination based solely on economic reasons or with the receiver's agreement lacks the necessary legal foundation that the bills of lading provide. Similarly, failing to inform the shipping company would undermine the operational structure and record-keeping essential in maritime commerce. Thus, securing the original bills of lading ensures that any changes adhere to the contractual obligations established prior to shipment.

8. What is a loan in kind?

A. A loan using goods or merchandise instead of money

B. A loan that can only be repaid with interest

C. A loan given for a specific duration

D. A loan guaranteed by a third party

A loan in kind refers to a financial arrangement where the borrower receives goods or merchandise rather than cash. This type of loan allows for flexibility in transactions, especially in industries where tangible goods are more relevant or necessary than money for certain operations. For example, in maritime commerce, a shipper might receive fuel or supplies instead of cash to fulfill immediate needs for a voyage or operation. The nature of a loan in kind tends to align with situations where direct exchange of products is more practical or beneficial than dealing with currency. This can help businesses maintain liquidity or reduce reliance on cash flow, particularly in sectors positively affected by bartering or resource sharing. The other options do not accurately capture the essence of a loan in kind. Instead, they refer to different attributes of loans in a general sense, such as repayment mechanics or collateral, which are not specific to the concept of a loan in kind.

9. If the charter party does not state loading/unloading time, what applies?

- A. Court decisions**
- B. Customs of the port**
- C. The captain's discretion**
- D. The owner's terms**

When the charter party does not specify loading and unloading times, the customs of the port play a vital role in determining how these operations will proceed. Port customs are the established practices and norms that have developed over time in a particular location. These customs can vary from one port to another, and they inform the parties involved about what to expect regarding the timing and procedures for loading and unloading. Since the charter party lacks explicit terms regarding timing, these local practices will help clarify the expectations for the shipping operation. Courts often regard the customs of the port as a common benchmark, ensuring that maritime operations align with local practices and do not lead to disputes. In this context, the other options do not effectively address the situation at hand. Court decisions might provide guidance based on precedent, but they do not have the specificity tied to the local practices found at a particular port. The captain's discretion could introduce varying interpretations and might lead to inconsistencies, while the owner's terms would typically only apply if they had been explicitly agreed upon in the charter party. Hence, reliance on the customs of the port ensures that operations are conducted smoothly based on generally accepted practices.

10. What must a charterer pay if they request early unloading?

- A. Only freight for the delivered goods**
- B. Full freight and damages caused**
- C. Only expenses of the stop**
- D. No additional payment is needed**

When a charterer requests early unloading, they are typically responsible for paying the full freight and any damages caused. This is due to the nature of charter agreements, which are designed to ensure that carriers are appropriately compensated for the services they provide, including the fulfillment of transport obligations. In a standard charter, the freight is the payment made for the transportation of goods. If unloading is executed earlier than agreed upon, this can disrupt the schedule and logistics not only for the ship but also for the shipping company. Consequently, the request for early unloading can lead to additional costs, such as operational disruptions or loss of revenue from potential missed other cargo opportunities. Therefore, the responsible action in this situation is for the charterer to pay full freight as if the goods were unloaded at the originally agreed time, along with any damages that may occur as a result of their request for early unloading. This ensures that the interests of the shipowner are protected under the terms of the charter and reflects the principle that the charterer's decision impacts the operational efficacy of the vessel.

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:

<https://title3specialcontractsmaritimecommerce.examzify.com>

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

SAMPLE