



**WEDNESDAY 23<sup>RD</sup> NOVEMBER 2016 – MORNING**

## **SHIP SALE AND PURCHASE**

**Time allowed – three hours**

**Answer any FIVE questions – all questions carry equal marks**

**Please read the questions carefully before answering**

1. Assess the factors that have driven the development of the concept of 'Eco Ships' (those that are both economically and environmentally efficient) and how this concept has affected the Sale and Purchase market, with particular reference to newbuildings.
  
2. Buyers and sellers have a signed Memorandum of Agreement, and the buyers have lodged the deposit. The Agreement includes buyer's option to arrange for an underwater inspection by divers prior to the delivery of the vessel. Using a Saleform of your choice, explain the purpose of this clause.
  
3. Answer **ALL** parts of the question
  - a) Provide a detailed written description of a Handysize dry bulk carrier as found in a typical sales message circulated by a seller's broker.
  - b) Draw a labelled profile and labelled cross section of a typical Handysize dry bulk carrier.
  - c) For three different cargoes of your choice, describe typical trading routes for this vessel, using different loading and discharge ports in each case. Use the world map provided to support your answer.
  
4. The documentary closing of a secondhand ship sale is an essential part of the sales process. Using a Saleform of your choice, identify and analyse the documentation that would be reasonably required by buyers from sellers at the closing meeting to transfer the title of the vessel only, making amendments and additions where necessary.

**PLEASE TURN OVER**

5. Using a Saleform of your choice, explain the sellers' obligations to buyers concerning the condition of the vessel on delivery, and suggest amendments that may further protect the sellers' interests.
  
6. Answer **BOTH** parts of the question
  - a) Explain how the price of a ship sold for demolition is calculated and identify what documentation is required as proof.
  - b) What other information would the buyers consider essential from sellers in a demolition sale, prior to offering on a full terms basis?
  
7. Discuss the roles of newbuilding and demolition brokers, comparing and contrasting the different skills required.
  
8. Evaluate the different choices investors have when raising money to invest in ship owning.