



WEDNESDAY 21ST NOVEMBER - 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. Explain why a ship needs to be registered and identify the different factors that may decide a buyer's choice of flag. Give examples to support your answer.

2. Answer **ALL** parts of the question:
 - a) Provide a detailed written description of a large container carrier stating size, cargo capacity, dimensions, machinery and other significant features.
 - b) Draw a profile and cross-section of the vessel showing the layout of the vessel clearly labelling the dimensions and other significant parts of the vessel.
 - c) On the world map provided show **ONE** typical trading route showing ports of call.

3. During the sale of a secondhand vessel, buyers usually have the right to put two representatives on board for familiarisation purposes. Using a Saleform of your choice, explain the buyers' rights and obligations in this regard, and discuss why sellers may wish to amend this wording.

4. You have successfully arranged for your client to physically inspect a panamax bulk carrier and its classifications society records online. Your client now wants to make an offer for the vessel on an outright basis. Draft a full terms offer for their approval.

5. 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

6. Answer **ALL** parts of the question:
- a) Identify the five main countries that carry out ship recycling.
 - b) Explain how the price of a ship sold for demolition is calculated and state the documentation normally required as proof.
 - c) Detail what technical information about the vessel the buyers would require from sellers in a demolition sale, prior to offering on a full terms basis.
 - d) Explain why the price offered for dry bulk carriers is usually less than the price offered for tankers.
7. A buyer has inspected a vessel and its class records, and accepted it. They have then entered into outright negotiations with the sellers, agreeing and signing a Memorandum of Agreement. Using a Saleform of your choice, identify the areas where the buyer can be in default up to and including delivery, and discuss the remedies available to the sellers in these cases.
8. Discuss the impact of LNG, as both a cargo and a fuel, to future newbuilding orders.