



THURSDAY 10<sup>th</sup> APRIL 2014 – AFTERNOON

## 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. Describe the documentation that both the sellers and the buyers may reasonably require at the place of closing **and** on board at the time of delivery for a vessel of your choice, giving brief explanations of their purpose.
2. The Drydocking/Divers Inspection clause is frequently used during the sale of a ship. Using a Memorandum of Agreement of your choice explain its purpose and suggest amendments that both the sellers and buyers may make to the standard wording.
3. Condition on delivery is of great importance to the buyer during the sale of ship. Using a Memorandum of Agreement of your choice, describe the obligation of the seller to the buyer on delivery of the vessel.
4. Answer **both** parts of the question:
  - a) Outline the main features of a standard newbuilding contract paying particular attention to the instalments paid by the buyer.
  - b) Why might the amount and timing of these instalments vary?
5. You have successfully arranged for a physical inspection by your client of an MR product tanker, as well as the inspection of the Classification Society records online. Your client now wants to make an offer for the vessel on an outright basis.

Draft a full terms offer for his approval.

**PLEASE TURN OVER**

6. Answer **all** parts of the question:

The expansion of the Panama Canal in 2015 will significantly alter trading routes by sea.

- a) Explain what this means to the size of ships passing through the Canal.
- b) What are the possible implications to ship owners?
- c) How will this affect the types of ships they will invest in for the future?

7. Capesize bulk carriers remain essential to the dry bulk carrier sector despite their volatile freight rates. Provide a detailed written description of a standard capesize bulk carrier with a fully labelled diagram of the vessel showing the relevant dimensions.

On the world map provided show **three** main trade routes for this vessel, including loading and discharge ports and the cargoes carried.

8. Answer **all** of the following:

- a) Where are the main end buyers of demolition tonnage located?
- b) How is the price of a ship sold for demolition determined?
- c) What is normally included in the price of a ship sold for demolition, and what is excluded?