



**THURSDAY 30<sup>th</sup> APRIL 2015 – 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. Valuations are an important role that an S&P broker undertakes. Answer all of the following:
  - a. What factors does a broker take into consideration when valuing a vessel?
  - b. How does a broker protect himself when issuing a valuation certificate?
  - c. Who would require a vessel valuation certificate and why?
2. The financial crisis has limited the amount of traditional ship finance made available to ship owners by banks. What alternatives do ship owners have in order to raise money to invest in tonnage?
3. Aframax tankers have recently become popular in the secondhand market again. Answer all parts of the question:
  - a. Provide a detailed written description of an Aframax tanker, including an explanation of the name.
  - b. Draw a fully annotated diagram showing the layout of the vessel.
  - c. Using the world map provided show three trading routes, including ports of loading and discharge.
4. Most Saleforms have a clause detailing documents required during the sale of a vessel. Using a Saleform of your choice, itemise and analyse these documents and suggest what extra documents may be reasonably required by both Buyers and Sellers at the documentary closing.
5. IACS is an important organisation for standards of maintenance onboard ships. Explain the role of Class during the sale of a ship in the second-hand market.

**PLEASE TURN OVER**

6. Notices of time and place of delivery are an essential part of the procedure in delivering a second-hand ship from Seller to Buyer. Using a Saleform of your choice, detail the obligations of the Seller to the Buyer in this regard once the deposit has been lodged.
7. Your client is a cash buyer who wishes to make a firm offer for a vessel being sold for scrap with delivery west coast India. Draft such an offer for the buyer's consideration, including address commission.
8. Buyers have certain obligations when paying for a vessel during a second-hand sale. Referring to a Saleform of your choice analyse these obligations, including the rights Sellers would have, should they not be met.