

General Comments

An essential skill that those engaged in shipping need, particularly those who choose to follow a career in shipbroking, is communication. Candidates should be able to write concisely and succinctly, relaying complicated information under time pressure so that the person reading it can quickly digest and understand it and then act on it accordingly. Questions are designed not so a candidate can just repeat all the subject matter without any focus, but they need to illustrate that they have understood the question and answered it. Writing a number of pages of material on a subject not related to the question, however beautifully written, will not achieve a pass mark. Submitting an essay that does not answer what the question has asked likewise will not pass. It is therefore of paramount importance to read the question properly, understand what the examiner is looking for and then provide it in a format that can be easily read and digested.

It cannot be stressed enough that a detailed knowledge of Salesforms, whether NSF 1993, NSF 2012, Nipponsale or otherwise is essential to make sure that success is achieved. These forms contain the basics of secondhand ship sale and purchase, and without knowing or understanding what they contain or how they are used, candidates will have little chance of passing.

Candidates should also note that if they only write half a page, this will not achieve a pass. The questions are intended to test the knowledge and understanding of the subject. Those that possessed neither did not pass, and there remains a proportion of those sitting for the exam that fit this category. Those that achieved the highest marks were able not only to understand the questions and answer them in an easily comprehensible manner; they were also able to illustrate their answers with examples from real life, the market, their own experience and other sources. An interest in shipping, the market and the practice of Ship Sale and Purchase itself beyond the basic course material is the best way to secure the highest marks.

Question One

A very popular question answered by most candidates, and most answered well. The highest marks were awarded to those who were able to:

- a) illustrate how a broker takes the varying factors that define a vessel's value and calculate the value accurately by comparing them with recent sales, negotiations or marketing of similar sales candidates,
- b) explain how a broker protects themselves by ensuring accuracy, making sure that the certificate has the appropriate disclaimers affected by assumptions, as well as pointing out brokers do not physically inspect ships or their Classification Society records,
- c) that the certificates are required by various stakeholders in and outside the industry, and why they would be needed.

Those candidates that generalised without explaining or detailing their answers did not achieve as high marks.

Question Two

This question was answered by about half the candidates. Those that did well and achieved high marks knew about the financial markets and the various tools available BUT also knew how this related to the Sale and Purchase markets. Those candidates who knew a bit about the financial world and tried to answer a question which was not being asked (eg how the 2008 crisis and its' aftermath affected the world economy) did not achieve a pass mark. Care must always be taken to understand and answer the question being examined. Hint, it will usually be something that concerns Ship Sale and Purchase.

Question Three

Not a particularly popular question which is surprising considering that knowledge learned in other topics can easily be used here. However, once again the examiners have to note that simple mistakes and omissions seem to again confound candidates and therefore restrict marks awarded. The candidate should prepare three drawings for ships; longitudinal profile, midship section and a plan. With the new examination booklets there is no reason why sketches of vessels should be squeezed into a corner of page – as much space as possible should be used on the pages provided. The use of a pencil and ruler is recommended. Trade routes on maps should be traced using the sea, and not arbitrarily cut through land. If the question asks for loading and discharge ports, these should be given. Of course this type of question requires accuracy. It is unwise for candidates to make data up, because this will obviously lose marks.

Question Four

A very popular question, answered by most candidates, which is not surprising considering it comes up frequently. Most students achieved a pass, but it once again has to be noted that care must be taken to read the question properly. The question asked for those documents required at documentary closing only, so those that included long lists of trading certificates and plans on board or elsewhere wasted valuable time as they were awarded no extra marks for these. Additionally the question required analysis of the documentation. Those that achieved highest marks not only listed the correct documentation but analysed their function as well. It is not enough to just memorise Clause 8 of the relevant NSF (especially NSF 93) and repeat it.

Question Five

This question was attempted by most candidates, but many struggled with it. Apart from a knowledge of what Classification Societies do (regulate the seaworthiness of the vessel) the candidate required an overall knowledge of the sale process. Those candidates that demonstrated a knowledge of the following got high marks:

- the affect of survey cycles on the value of a vessel
- the meaning and importance of recommendations and conditions of class
- inspection of Classification Society (e.g. Clause 4 of NSF 2012) records showing an historical record of the seaworthiness and physical condition of the vessel
- divers inspection and/or drydocking prior to delivery (e.g. Clause 6 of NSF 2012)
- delivery of the vessel with Class maintained (e.g. Clause 11 of NSF 2012) with the relevant documentation (e.g. Clause 8 of NSF 2102)

A long essay on the history of Classification Societies, whilst it may be interesting, would not achieve a pass.

Question Six

A fairly easy question to answer if the candidate knew all the parts of a standard Notices and Delivery clause, e.g. Clause 5 of NSF 2012. The essential elements include:

- keeping the buyers up to date with the itinerary
- giving approximate notices of time and place of delivery
- giving Notice of Readiness
- delivery before the canceling date and the mechanisms in place if the Sellers fail to do so

Candidates were given extra marks if they could include other elements of the Salesform that were affected by this clause, e.g. Payment Clause, Divers inspection and Sellers default. Obviously those candidates that did not know the clause in detail were unable to optimise the marks available.

Question Seven

A fairly popular question, and in general answered well, with most candidates able to correctly draft an offer containing all or most of the following elements:

- name of the vessel and parties
- validity
- price represented in \$ per ldt including address commission
- Deposit
- Payment
- Delivery As is at anchorage in India prior to beaching
- Laycan/delivery range/Notices
- No Divers inspection
- Inclusions (everything including bunkers and lubs)
- exclusions personal items/effects, ISM/ISPS manuals.
- Description of vessel
- Ldt to be evidence by trim stability book/capacity plan etc weight of propeller etc
- Buyers representatives for beaching
- Documentation
- Law/Arbitration

Marks were lost by those candidates who showed a lack of knowledge, or who simply did not read the question properly. A lack of geography was also evident – when asked to draft an offer with delivery West Coast India, Chittagong and Karachi are not appropriate delivery ports.

Question Eight

This question, although reasonably popular, once again shows the importance of knowing the Salesform thoroughly and how the different clauses interact with each other. It is not enough to memorise the clauses word for word, but to also understand their purpose and how they relate to one another. The main problems candidates encountered were in analysing these connections. Most, for example in the case of NSF 2012, were able to identify the Deposit, Payment and Buyers Default clause, but the highest marks were achieved by those who also mentioned the Notices clause in relation to the Payment Clause, and how one triggers the other, illustrated with examples.