



NOVEMBER 2024 EXAMINATION SESSION
MONDAY 18th NOVEMBER 2024 - MORNING
SHIP SALE & PURCHASE

Time allowed – three hours

Answer any FIVE questions – all questions carry equal marks

Please read the questions carefully before answering

1. Answer **BOTH** parts of the question.

Sellers and Buyers have agreed to a Memorandum of Agreement to sell a panamax bulk carrier, and the deposit has been lodged.

The Sellers' Financiers have registered a mortgage against the ship to secure a loan to the Sellers. It is the Sellers' intention to pay off the loan with the proceeds from the sale.

- a) Explain the purpose and function of the registered mortgage as far as the Sellers' financiers are concerned.
- b) Describe the delivery documentation the Sellers would have to provide Buyers on delivery that prove that the vessel is free of encumbrances and suggest ways the Sellers can provide delivery with clean title in these circumstances.

2. Answer **ALL** parts of the question.

- a) Provide a detailed description of a 20-25,000 dwt IMO II chemical tanker as would appear on a typical secondhand sale and purchase circular stating size, dimensions, machinery and other significant equipment and features, including appropriate cargo carrying features.
- b) Draw a profile and cross-section of the vessel and label the dimensions and other significant parts of the vessel.
- c) On the world map provided show **THREE** typical trade routes of this vessel for **THREE** different cargoes.

PLEASE TURN OVER

3. Discuss the parties who would require a written ship valuation from a sale and purchase broker and explain the reasons why they would need such a certificate.
4. Using a Saleform of your choice, explain the importance of the Notice of Readiness to the delivery of the vessel, describing the Sellers' obligations prior to and at the time of tendering a written Notice of Readiness for delivery.
5. A Shipyard and prospective Buyers have agreed and signed a Letter of Intent for two newbuilding MR tankers which includes price, payment terms and delivery dates. Describe and briefly explain what other terms and conditions the parties will have to negotiate and agree before a full newbuilding contract can be signed and become fully effective.
6. Explain how the price of a ship being sold for recycling is calculated. Identify and briefly describe the documentation needed to be provided by the Sellers as evidence of the description of the ship.
7. Your client has shown interest in buying a modern secondhand kamsarmax bulk carrier and has asked for your opinion of the advantages and disadvantages of investing at this time. Write a report for your client, concluding it with your own personal recommendations.
8. Using a Saleform of your choice, describe the obligations of the buyers when lodging the deposit, and discuss the remedies available to the Sellers should the Buyers fail to do so.