



INSTITUTE OF
CHARTERED
SHIPBROKERS

MAY 2024 EXAMINATION SESSION

MONDAY 13th MAY 2024 - AFTERNOON

SHIP SALE & PURCHASE

Time allowed – three hours

Answer any FIVE questions – all questions carry equal marks

Please read the questions carefully before answering

1. Give **TWO** examples of situations where “subjects” could be inserted into a full terms offer for a secondhand vessel, analysing their function and the advantages and disadvantages of their use during negotiations.
2. Answer **ALL** parts of the question.
 - a) Provide a detailed description of an Ultramax bulker carrier as would appear on a typical secondhand sale and purchase circular stating size, dimensions, machinery and other significant equipment and 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.
3. You have successfully arranged for your client to physically inspect an LR1 tanker and the Classification Society records online. Your client now wants to make an offer for the vessel on an outright basis. Draft a full term offer for their approval.
4. Identify and briefly explain the function of the documentation that the sellers would be reasonably required to provide at the closing meeting of the sale of a secondhand container feeder vessel.
5. Using a Saleform of your choice, describe the obligations of both buyers and sellers if the buyers choose to exercise their option to arrange for an underwater inspection by divers prior to the delivery of the vessel.

PLEASE TURN OVER

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6. Shipbuilding contracts typically contain clauses that relate to liquidated damages in the event the shipyard fails to meet their contractual requirements. Identify and explain **TWO** common situations where such clauses apply, and the remedies the buyers have in each of these situations.
 7. Using a Saleform of your choice, identify the occasions when a Classification Society is involved in the sale of a secondhand ship from pre-purchase inspections until delivery of the vessel from Sellers to Buyers, explaining the role of Class on each of those occasions.
 8. Write a market report discussing the current situation of the newbuilding crude oil tanker market, paying particular attention to VLCCs.
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