

THE INSTITUTE OF CHARTERED SHIPBROKERS

APRIL 2007 EXAMINATIONS

THURSDAY 19 APRIL – AFTERNOON

SHIP SALE & PURCHASE

Time allowed – Three hours

Answer any FIVE questions – All questions carry equal marks

1. In the context of the second-hand market, explain the significance of ALL the following:
 - a) As is, where is
 - b) Subject to Board Approval
 - c) Mortgagee Insurance Policy
 - d) Document to be duly notarially attested and legalised
2. The Documentation Clause of the NSF 1993 contains a detailed breakdown of the documents required when a ship is sold for further trading. From both the Seller's and Buyer's point of view, covering both ashore and on board, describe the documents required. Items A-F under this Clause should be discussed along with other additional documents that are produced as market practice.
3. The newbuildings market has seen considerable growth in recent years. Comment on the main elements of a newbuilding contract. How can the Buyer protect his interests from the placing of the order with the shipyard to taking delivery of the ship and beyond?
4. The Norwegian Saleform 1993 allows for a ship at the time of delivery to be delivered either with or without drydocking. Fully discuss, in all respects, the content of the Clause that covers this area of the delivery process.
5. As a shipowner's exclusive Broker, you have been asked to produce an opening offer to purchase a second-hand ship to add to the company's fleet. Prepare the offer for your Principal using a ship type of your choice.
6. In your opinion, briefly comment on the future outlook for Capesize shipowners in terms of sale and purchase. Sketch an outline map of the world showing the main trade routes, loading and discharging ports used by a Capesize bulkcarrier. Illustrate the layout and dimensions of both the ship and its bulk cargo hold with fully labelled drawings.

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7. From the NSF 1993, explain in detail the content of the Clause "Spares/bunker, etc." Comment on the possible areas of dispute that can arise from this Clause. What amendments, therefore, may be added to the NSF in order to protect the Buyer's interest against these potential disputes.

8. As Ship Sale and Purchase Brokers' careers develop, many tend to specialise either in the fields of newbuildings, second-hand sales or in the demolition market. Discuss the following:
 - a) The skills required by a SSP Broker overall
 - b) The specialised skills of a newbuilding Broker, a second-hand Broker and a demolition Broker.