



## TECHNICAL UNIVERSITY OF MOMBASA

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SCHOOL OF BUSINESS  
DEPARTMENT OF MANAGEMENT SCIENCE

### EXAMINATION ONE FOR:

DIPLOMA IN SHIPPING

BSP 2210: SHIP SALES & PURCHASING

**TIME:** 2HOURS

**DATE:** Aug2019

### Instructions to Candidates

This paper consists of **FIVE** questions. Attempt question ONE (Compulsory) and any other TWO questions. You should have the following for this examination:

*Answer Booklet, examination pass and student ID*

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### Question ONE

- a) Describe the relationship of ship sales and purchase with various functions of the shipping business **(10 Marks)**
- b) Describe a superficial, pre-purchase inspection of the vessel and describe what it entails **(10 Marks)**
- c) Describe the main stages of a ship sale and purchase transaction **(10 Marks)**

### Question TWO

- a) Describe the types of inspections a vessel is subjected to during sale and purchase process **(10 Marks)**
- b) Discuss the varied factors that affect second hand ships' prices and describe the price ranges that guide the negotiations **(10 Marks)**

**Question THREE**

- a) Discuss the conditions and terms of the ships delivery **(10 Marks)**
- b) Describe the i) nature and ii) functions of a ship sale and purchase memorandum of understanding **(10 Marks)**

**Question FOUR**

- a) Discuss the vessel delivery process upon completion of the transaction **(10 Marks)**
- b) The process of the transaction involves many procedures and requirements. Describe the roles of the following in S&P process: i) shipbroker ii) flag state iii) ships manager **(10 Marks)**

**Question FIVE**

- a) The procedures of a ship sale and purchase process buying of ships is considered a complex risky venture. Describe the three aspects of concern in an international ship deal **(10 Marks)**
- b) Discuss the various non-market based ways of selling ships **(10 Marks)**