



## TECHNICAL UNIVERSITY OF MOMBASA

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SCHOOL OF BUSINESS  
DEPARTMENT OF MANAGEMENT SCIENCE

### EXAMINATION TWO 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

- Describe the characteristics of ship sales and purchase market **(10 Marks)**
- Describe how a prospective buyer gathers information on vessels put on offer in the sales and purchase market before **(10 Marks)**
- The terms of the sale of the vessel are determined by the MoA. Describe the various areas of transaction covered by this critical document **(10 Marks)**

### Question TWO

- Discuss the sellers obligations once the ship's sale has been finalized **(10 Marks)**
- In exchange for payment of the Purchase Money the Sellers shall furnish the buyers with delivery documents. Describe the range of documents that should be produced at the time of the closing by the buyer and the seller. **(10 Marks)**

### **Question THREE**

- a) Describe the risks associated with the purchase of second hand ships and analyze the range of ‘as is’ rule and exceptions. **(10 Marks)**
  
- b) Describe the technical information required by an enquiring broker for preliminary pre-purchase evaluation before deciding whether or not to inspect the vessel. **(10 Marks)**

### **Question FOUR**

- a) Describe the initial stages in ship sales and purchasing **(10 Marks)**
  
- b) International maritime laws and rules related to ship deals is critical to reduce the legal risks for companies. Describe the legal issues pertaining to ship sale and purchase processes **(10 Marks)**

### **Question FIVE**

- a) Ships sales and purchase is an important part of maritime related transaction businesses. Describe the roles of the following in S&P process: i) shipping lawyer ii) marine surveyor iii) classification society. **(10 Marks)**
  
- b) Discuss the reasons that drive the need for buying as well as selling of ships **(10 Marks)**