



## 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: 2 HOURS**

**DATE: Apr 2022**

### **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 FIVE roles commonly carried out by a ship sale and purchase broker (10 Mks)
- b) Discuss FIVE events that occur during the closing stage of a ship sale and purchase transaction (10 Mks)
- c) Describe the characteristics of THREE Memorandum of Agreement (MoA) sale forms considered standard in the ship sale and purchase market (10 Mks)

### **Question TWO**

- a) Describe FOUR types of notices the seller gives to the buyer close to delivery of the vessel (10 Mks)
- b) Describe the FOUR short shipping cycles in the freight market that determine the supply and demand on ships in the second hand market (10 Mks)

### **Question THREE**

- a) Explain the duties of both the seller and buyer after signing the sale contract (10 Mks)
- b) Describe FOUR factors that determine shipping prices in the second hand market (10 Mks)

**Question FOUR**

- a) Explain the processes of the THREE stages of delivery after the completion of the sale process (10 Mks)
- a) Ship-brokers are the main source of valuations. Describe FIVE features of the ship that they use to value a ship on offer (10 Mks)

**Question FIVE**

- a) Describe FOUR types of inspections that acts as a part of due diligence on the side of the buyer (10 Mks)
- b) Explain FIVE reasons as to why a ships sales and purchase transaction may end up in court as a legal dispute (10 Mks)