

**W1-2-60-1-6**

**JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY**

**UNIVERSITY EXAMINATIONS 2018/2019**

**YEAR II SEMESTER II EXAMINATION FOR THE DEGREE OF BACHELOR OF SUPPLY CHAIN MANAGEMENT**

**HPS 2303/HBC 2206/HPS 2204: BUSINESS LAW II**

**DATE: AUGUST 2019 TIME: 2 HOURS**

**INSRUCTIONS: Answer question one and any other two questions.**

QUESTION ONE (30 MARKS) COMPULSORY

Write short note on the following

a. Consideration. (6 marks)

b. Contractual capacity. (6 marks)

c. Privity of contracts and exceptions to this. (6 marks)

d. Three factors vitiating contracts. (4 marks)

e. Remedies for breach of contracts. (6 marks)

f. Contracts in restrain of trade. (2 marks)

QUESTION TWO (20 MARKS)

a. Define an agency contract and explain the manner in which this contract is created.

(8 marks)

b. Distinguish between a merchantile agent and a decredere agent. (2 marks)

c. How is an agency contract terminated. (6 marks)

d. Explain three instances when an agent would be held personally liable. (4 marks)

QUESTION THREE (20 MARKS)

Explain the following in a sale of goods contract:

a. The difference between specific goods and unscertained goods. (2 marks)

b. Explain when property in goods pass from a seller to a buyer. (4 marks)

c. When does risk in the goods pass to the buyer? (4 marks)

d. What are the rights and obligations of parties to a sale of goods contract. (6 marks)

e. Distinguish a sale of good contract from the following

a. Contract of bailment. (2 marks)

b. A contact of hire purchase. (2 marks)

QUESTION FOUR (20 MARKS)

a. Zawadi is a supplier of computers in Mombasa, He was awarded a tender to supply computers to Kenya Ports authority. Kenya Ports Authority on the basis of information that he provided in his bid. One such information was that the computers he supplied could run for six hours without being connected to a power socket fully charaged. Zawadi supplied the first batch of twenty computers to Kenya Ports Authority and was paid handsomely. The IT officer set up the computers for employees and work commenced. There was a country wide black out a week after the computers were delivered. It turned out that all computers could not run without being supported by power. Kenya Ports Authority is looking at taking action in court against zawadi.

a. Is Zawadi liable in any way to Kenya Ports Authority way to Kenya Ports Authority. Discuss. (5 marks)

b. Explain two remedies which Kenya Ports Authority can seek from court against Zawadi. (4 marks)

c. Explain in brief the tendering process under the public procurement and Disposal Act. (6 marks)

d. Faraja had submitted her bid during the tender in which Zawadi was awarded. He learns about the case filed against Zawadi by Kenya Ports Authority and decides to supply computers to Kenya Ports Authority. Kenya Ports Authority rejects Faraja’s computers. Explain the issue arising in this case and whether Faraja can sue for specific performance against Kenya Ports Authority.

(5 marks)

QUESTION FIVE

a. Write short notes on the role of competition laces in Kenya. (4 marks)

b. What is the function of consumer protection lace. (4 marks)

c. Identify and explain the sources of lace in Kenya. (8 marks)

d. Explain the structure of the Kenya courts in brief. (4 marks)