



GARISSA UNIVERSITY

**UNIVERSITY EXAMINATION 2017/2018 ACADEMIC YEAR FOUR
FIRST SEMESTER EXAMINATION**

SCHOOL OF BUSINESS AND ECONOMICS

FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT

COURSE CODE: BBM 448

COURSE TITLE: PURCHASING AND SUPPLY LAW

EXAMINATION DURATION: 3 HOURS

DATE: 08/12/17

TIME: 2.00-5.00 PM

INSTRUCTION TO CANDIDATES

- The examination has SIX (6) questions
- Question ONE (1) is COMPULSORY
- Choose any other THREE (3) questions from the remaining FIVE (5) questions
- Use sketch diagrams to illustrate your answer whenever necessary
- Do not carry mobile phones or any other written materials in examination room
- Do not write on this paper

This paper consists of TWO (2) printed pages

please turn over



QUESTION ONE (COMPULSORY)

- (a) An international trader wishing to terminate a contract has a number of options available. Review the ways in which a contract can be terminated [15 marks]
- (b) When tendering, it is important for companies to be aware of contracts which are considered to be illegal or void in common law. Explain what these contracts are [10 marks]

QUESTION TWO

- (a) Certain critical legal provisions have been established in respect of passage of title. Explain what these provisions are [10 marks]
- (b) Explain the types of contracts as to validity [5 marks]

QUESTION THREE

- (a) Inco terms are used in international trade to clarify the functions costs and risks between the buyers and sellers in relation to the delivery of goods as required in the contract of sale. Explain the following terms [10 marks]
- i. EXW
 - ii. FOB
 - iii. CIF
 - iv. DEQ
 - v. CRF
- (b) Highlight and explain five documents used in international trade [5 marks]

QUESTION FOUR

- A principal may bestow a number of different types of authority on an agent. Explain EACH of these types of authority [15 marks]

QUESTION FIVE

- (a) Explain the role of consideration in the modification of existing contracts [10 marks]
- (b) How does a unilateral contract differ from a bilateral contract? Give an example of each [5 marks]

QUESTION SIX

- (a) Discuss the six essential elements of a contract [12 marks]
- (b) Using examples, difference between an invitation to treat and an offer [3 marks]

