



**JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND
TECHNOLOGY SCHOOL OF BUSINESS AND ECONOMICS
UNIVERSITY EXAMINATION FOR DEGREE OF BACHELOR OF
BUSINESS ADMINISTRATION
3RD YEAR 1ST SEMESTER 2016/2017 ACADEMIC YEAR
KISII CAMPUS**

COURSE CODE: ABA 338

COURSE TITLE: PROCUREMENT & LEGAL FRAMEWORK

EXAM VENUE: LR _____ STREAM: (BBA) WITH I.T.

DATE: _____ EXAM SESSION: _____

TIME: 2.00 HOURS

Instructions:

1. Answer question **ONE** (compulsory) and **ANY** other **TWO** questions.
2. Candidates are advised not to write on the question paper.
3. Candidates must hand in their answer booklets to the invigilator while in the examination room.

QUESTION ONE (30MKS)

- a) What is consideration? To what extent is it true that consideration need not be adequate? (3mks)
- b) Juma's car broke down on his way to Kisumu where he had an important appointment. Shah, who was passing in his car offered to help. Juma said to him 'Take me to Kisumu and I shall be most grateful.' Shah took him to Kisumu and then Juma said to him 'I am so happy. When I got back to my office in Nairobi I will send you a cheque for Shs. 200'. He has not done so, and Shah wishes to know if he can enforce the promise. Advice Shah (4 marks)
- c) In relation to procurement law; write short and concise notes on the following:
- i) Bailor and Bailee
 - ii) Lien
 - iii) An offer and an invitation to treat
 - iv) Void, voidable and illegal contracts
 - v) Act 2005 and 2006 LoK
 - vi) Protesting and Inchoate instrument (6 marks)
- d) Discuss The Various Acts Of Bankruptcy as outlined in the bankruptcy act (5 marks)
- e) Distinguish between a contract of guarantee and a contract of procurement indemnity (4 marks)
- f) Discuss the guarantor rights against the credit (4marks)
- g) Define procurement law (2 marks)
- h) What is the purpose of procurement law? (2marks)

QUESTION TWO (20MKS)

- a. Define a negotiable instrument (2 marks)
- b. Explain effects of a forged signature on a bill of exchange (6 marks)
- c. Discuss the major examples of negotiable instruments (12 marks)

QUESTION THREE (20MKS)

- a. Discuss the different types of insurance (12 marks)
- b. Using case law, discuss the principle of Uberrima Fidei in insurance law (8 mks)

QUESTION FOUR (20MKS)

- a. State and discuss the ways in which an agency can be automatically be terminated by operation of law (5 marks)
- b. Discuss and explain the various essentials valid for the formation a contract (10 mks)
- c. Discuss the conditions and warranties which are implied in a contract of sale of goods by the sale of goods Act 31 LoK. (5 marks)

QUESTION FIVE (20MKS)

- a. Define the term ‘contract’ and discuss ways in which a contract may be discharged. Illustrate each mode of discharge (7 marks)
- b. In relation to the law of sale of goods, give the meaning of the term ‘ NEMO DAT QUOD NON HABET’ and discuss its exceptions (6 marks)
- c. “The essence of insurance is indemnity and the rights of the parties depend on this” How far is this true? Illustrate your answers by examples and where possible decided cases (7 marks)