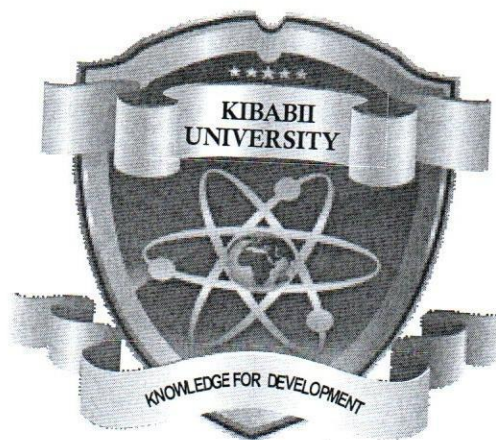


28

# KIBABII UNIVERSITY



**UNIVERSITY EXAMINATIONS  
SPECIAL/SUPPLEMENTARY EXAMINATION  
2019/2020 ACADEMIC YEAR  
THIRD YEAR SECOND SEMESTER  
FOR THE DEGREE OF BACHELOR OF BUSINESS  
MANAGEMENT**

**COURSE CODE: BBL 322**

**COURSE TITLE: LOGISTICS CONTRACT MANAGEMENT**

**DATE: 10/02/2020**

**TIME: 8.00 – 10.00AM**

---

**INSTRUCTIONS TO CANDIDATES**

**Answer Question ONE (compulsory) and ANY OTHER TWO questions**

## **QUESTIONS : SECTION A**

---

### **QUESTION ONE**

Kakiyonga, a small scale farmer agreed to take a television set and a radio from Rwaka Ltd., a hire purchase firm last year. The hire purchase price for both items was Frw. 90,000. He paid a deposit of Frw. 30,000 and the balance was payable by monthly installments of Frw. 5,000. After paying installments for six months, he defaulted. Rwaka Ltd. promptly repossessed the goods.

- a) Discuss the legal position (5mks)
- b) Briefly explain the concept of illegality of contracts with an example where contracts would be considered illegal (5mks)
- c) Explain the difference between conditions and warranties in a contract (5mks)
- d) Discuss Five essential features of valid contract (15mks)

## **QUESTIONS : SECTION B**

---

### **QUESTION TWO**

The Procurement Manager of Huye Company considers buying some construction equipment from China and is very worried on the possible remedies in case he breaches the contract.

- (a) Advise on the possible remedies in a contractual breach (08mks)
- (b) Explain Four circumstances under which a contract would be vitiated (12mks)

### **QUESTION THREE**

- a) Procurement staff should have a good working knowledge of commercial law. Discuss this statement with regard to Logistics Contracts Management (10mks)
- b) Describe five management versions of the term contract for purposes of performance (10mks)

### **QUESTION FOUR**

You have been approached by Mr. Gabago, the Procurement Manager of East Africa Breweries about the challenges he has been facing while Drafting a Contract for their suppliers. He seeks your advice on this.

- a) Advise on the advantages of "Controlling the Draft" (5mks)
- b) Briefly explain Five major elements considered when Drafting a Contract (15mks)

### QUESTION FIVE

The most common remedy for a breach of contract is a monetary award, which can come in many forms. Explain the meaning of the following monetary awards

- (a) Compensatory Award (5mks)
- (b) Consequential Award (5mks)
- (c) Nominal Award (5mks)
- (d) Expectation Award (5mks)