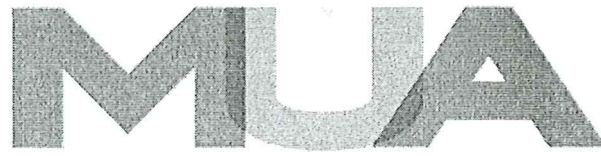


The
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DIPLOMA UNIVERSITY EXAMINATIONS
SCHOOL OF MANAGEMENT AND LEADERSHIP
DIPLOMA IN SUPPLY CHAIN MANAGEMENT

DSM 106: LEGAL ASPECTS OF SUPPLY CHAIN MANAGEMENT

DATE: 28th March 2022

DURATION: 2 HOURS

MAXIMUM MARKS: 70

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **FOUR** questions.
6. Question **ONE** carries **30 MARKS** and the rest carry **10 MARKS** each.
7. Write all your answers in the Examination answer booklet provided.

QUESTION ONE

Read the Case Study below carefully and, answer the questions that follow:

CONTRACTUAL CONSIDERATION

'Consideration' is one of the essential elements of a valid contract. The fact of its existence serves to distinguish those promises by which the promisor intends to be legally bound from those which are not seriously meant. In the words of Blackstone : "A consideration of some sort or other is so necessary to the forming of a contract, that a *nudum pactum*, or agreement to do or pay something on one side, without any compensation on the other, will not at law support an action; and a man cannot be compelled to perform it... The law supplies no means nor affords any remedy to compel the performance of an agreement made without consideration. If I promise a man Kshs 100 for nothing, he neither doing nor promising anything in return or to compensate me for my money, my promise has no force in law". The breach of a gratuitous promise cannot be redressed by legal remedies. It is only when a promise is made in return of 'something' from the promisee, that such promise can be enforced by law against the promisor. This something in return is the consideration for the promise.

Required

- a) Consideration being one of the essential elements of a valid contract, Elaborate on the other elements of a valid contract. **(15 marks)**
- b) A consideration of some sort or other is so necessary to the forming of a contract, agreement to do or pay something. Consideration may be past, present or future. Discuss **(15 marks)**

QUESTION TWO

- a) Explain the functions and limitation of law **(5 marks)**

b) Discuss the various types of agency and principal relationships

(5marks)

QUESTION THREE

a) Explain dispute resolution techniques in contract management (5 marks)

b) Discuss the difference between contract termination and contract closure

(5 marks)

QUESTION FOUR

a) It is generally preferable to put commercial agreements in writing Analyse the legal implications of oral contracts (5 marks)

b) Discuss three elements in a contract of insurance

(5marks)

QUESTION FIVE

a) Explain the methods of payments in international trade. (5 marks)

b) Illustrate by giving examples the types of agents

(5 marks)

QUESTION SIX

a) Explain Sources of law in Kenya. (5marks)

b) Describe the following terms (5 marks)

i. Patent

ii. Trade mark

iii. Intellectual property

