



# MACHAKOS UNIVERSITY

University Examinations for 2016/2017 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

SPECIAL/SUPPLEMENTARY EXAMINATION FOR

DIPLOMA IN SUPPLY CHAIN MANAGEMENT

LEGAL ASPECTS OF PURCHASING

DATE:

TIME:

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## INSTRUCTION

Answer all the questions.

1. (a) In relation to the sale of goods Act, discuss six exceptions to nemo dat quad non habet. (12 marks)
- (b) In relation to the law of agency, outline six requirements for ratification. (12 marks)
- (c) Discuss three characteristics of a del credere agent (6 marks)
2. (a) Explain six implied terms in every contract of sale of goods. (12 marks)
- (b) In relation to the law of bankruptcy describe the procedure in bankruptcy proceedings. (8 marks)
3. (a) In relation to the law of guarantee discuss five points of distinction between a contract of guarantee and a contract of indemnity. (10 marks)
- (b) In relation to the partnership Act, describe five duties of utmost good faith. (10 marks)
4. (a) Explain six essential requirements of a valid bill of exchange. (12 marks)
- (b) Explain the rules that govern termination of a hire purchase agreement before the final payment becomes due under the hire purchase Act. (8 marks)
5. (a) Explain five circumstances under which a bill of exchange may be discharged. (10 marks)
- (b) In relation to the law governing carriage of goods explain the contents of a charter party. (10 marks)