



MACHAKOS UNIVERSITY

University Examinations for 2016/2017 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ENTREPRENEURSHIP AND MANAGEMENT
SCIENCES

SECOND YEAR FIRSTSEMESTER EXAMINATION FOR DIPLOMA IN
PURCHASING AND SUPPLIES MANAGEMENT

BBA 038: LEGAL ASPECTS IN PURCHASING

DATE: 2/6/2017

TIME: 8:30 – 10:30 AM

INSTRUCTIONS

Answer Question One and Any Other Two Questions

QUESTION ONE (COMPULSORY) (30 MARKS)

- (a) Distinguish between the following types of contract:
 - (i) Valid, Void and Voidable Contracts (6 marks)
 - (ii) Unilateral and Bilateral Contracts (6 marks)
- (b) Distinguish between the following types of offers:
 - (i) Specific/General offer (4 marks)
 - (ii) Counter/Cross offer (4 marks)
- (c) Describe TWO types of agents. (4 marks)
- (d) Highlight FOUR instances in which a partnership can be dissolved. (4 marks)
- (e) Outline TWO characteristics of negotiable instruments. (4 marks)

QUESTION TWO (20 MARKS)

- (a) With relevant examples, explain FIVE essentials of a valid contract. (10 marks)
- (b) Outline FIVE instances in which a contract can be terminated. (10 marks)

QUESTION THREE (20 MARKS)

- (a) Discuss the formation of an Agency. (10 marks)
- (b) Distinguish between a partnership and a company. (10 marks)

QUESTION FOUR (20 MARKS)

- (a) Outline essential characteristics of contract of sale of goods. (10 marks)
- (b) Explain the rules of delivery of goods. (10 marks)

QUESTION FIVE (20 MARKS)

- (a) Differentiate between sale and agreement to sell. (5 marks)
- (b) Outline the requirements of hire purchase agreement. (5 marks)
- (c) Explain FIVE basic Insurance Principles. (10 marks)