



TUESDAY: 28 November 2017.

Time Allowed: 3 hours.

Answer ALL questions. Marks allocated to each question are shown at the end of the question.

**SECTION A**

**QUESTION ONE**

- (a) Describe FIVE reasons why an organisation should negotiate with its suppliers when buying goods, services and works. (5 marks)
- (b) Distinguish between a “void” and a “voidable” contract. (4 marks)
- (c) Explain THREE causes of disputes in procurement contracts. (6 marks)
- (d) Highlight FIVE requirements for a patent to be registered. (5 marks)

**(Total: 20 marks)**

**SECTION B**

**QUESTION TWO**

- (a) Appraise FOUR reasons why a procurement consultant may propose the use of an integrative approach instead of a distributive approach to negotiation. (8 marks)
- (b) Based on feedback from a previous negotiation with Udongo Ltd., Mr Ajabu, the procurement manager at Wajibika Ltd., has been informed by Udongo Ltd. that he acted unethically during the negotiation process. Mr Ajabu is of the view that it is impossible to avoid the use of unethical behaviour in negotiations.

**Required:**

- (i) Explain TWO reasons that could have led Mr Ajabu to behave unethically during the negotiation process. (4 marks)
- (ii) Examine FOUR sources of moral standards which would have guided Mr Ajabu. (8 marks)

**(Total: 20 marks)**

**QUESTION THREE**

- (a) Zuhura, the procurement officer of Mashinani Company Ltd. has been tasked with negotiating a contract for supply of goods. She is uncertain about the process of negotiation.

Advise Zuhura on a negotiation process model that is appropriate for the contract. (10 marks)

- (b) The doctrine of frustration was developed to mitigate the severity of breach of contract where performance of a contract becomes impossible.

Analyse FIVE circumstances under which the doctrine of frustration applies. (10 marks)

**(Total: 20 marks)**

**SECTION C**

**QUESTION FOUR**

**Case Study**

Mr Mrefu and Mrs Mfupi are procurement professionals at Jikaze Ltd. Their company wishes to procure raw materials for their plant from abroad. They have invited Randa Co. Ltd and Slowbi Co. Ltd., their potential suppliers, for a meeting for purposes of negotiating the contracts they intend to enter into.

During the meeting, Mr Mrefu, who is in charge of the process, observes that Mr Hasra representing Randa Co. Ltd. got very agitated at one point since he did not agree with Mrs Mfupi's remarks. In Mr Hasra's culture, a woman should not make "some statements" but should leave it to a male companion to talk on her behalf.

On the other hand, Mrs Polle representing Slowbi Co. Ltd. seemed very hesitant to participate in the negotiation. She explained that her company had very bad experiences in previous international contracts due to breaches including disclosure of their company information by the other negotiating party.

Jikaze Ltd. consults you for advice on the negotiation process which turned out to be less productive than they expected.

**Required:**

- (a) Advise Jikaze Ltd. on FIVE barriers to effective negotiation that Mr Mrefu could have considered during preparation and planning for the negotiation. (10 marks)
  - (b) "Mr Mrefu noticed that Mr Hasra appeared agitated at one point".  
Describe FIVE other non verbal cues to watch for during negotiations. (10 marks)
  - (c) Explain FIVE features of international procurement contracts for supply of goods that should be addressed by the parties before they contract. (10 marks)
  - (d) Advise Jikaze Ltd. on the remedies available to them in the event of breach of a contract. (10 marks)
- (Total: 40 marks)**
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