

2922/304  
LEGAL ISSUES IN  
PROJECT MANAGEMENT  
November 2022  
Time: 3 hours



THE KENYA NATIONAL EXAMINATIONS COUNCIL

DIPLOMA IN PROJECT MANAGEMENT

LEGAL ISSUES IN PROJECT MANAGEMENT

3 hours

**INSTRUCTIONS TO CANDIDATES**

*This paper consists of SEVEN questions.  
Answer FIVE questions in the answer booklet provided.  
All questions carry equal marks.  
Candidates should answer the questions in English.*

This paper consists of 3 printed pages.

Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.

- 1. (a) Highlight **five** instances when a partnership business may be wound up by the court. (10 marks)
- (b) Outline **five** differences between a hire purchase agreement and a credit sale agreement. (10 marks)
2. (a) With reference to agency, outline **six** circumstances under which an agent may delegate his duties to a sub agent. (12 marks)
- (b) In relation to a contract for the sale of goods, explain **four** categories of goods. (8 marks)
- 3. (a) Highlight **five** reasons that make it necessary for the National Assembly to make laws. (10 marks)
- (b) Highlight **five** persons who have insurable interest in the lives of others. (10 marks)
- 4. (a) Explain **five** ways in which a guarantor may be discharged from liability. (10 marks)
- (b) In relation to the law of bailment, outline **five** duties of a bailee. (10 marks)
5. (a) Highlight **five** circumstances under which the court will adjudge a debtor bankrupt. (10 marks)
- (b) Disnek, an NGO, entered into a contract with Monebu for the construction of an administration block. The terms of the contract provided that the block should be completed within two months. Monebu was to receive Ksh 750,000 when the work is completed. By the end of the two months, the contractor had only done half of the work. Disnek appointed another contractor and has declined to pay Monebu for the work done. Monebu is aggrieved and intends to sue Disnek for failure to pay him for the work done.
- Explain the legal principles applicable in this case. (10 marks)

6. (a) Highlight **six** effects of a winding up order of a company by the court. (12 marks)

(b) Raban, a financial officer of Pedic Limited, received cheques for the company which he deposits with Wisby Bank Limited, where Pedic Limited has an account. Raban opened a personal account with Wisby Bank Limited and on two occasions deposited cheques received for Pedic Limited in the account. The bank credited Raban's account with the two cheques. The Managing Director of Pedic Limited has discovered the fraud perpetrated by Raban against the company. The company intends to sue Wisby Bank Limited for the recovery of money credited into Raban's account.

Explain the legal principles applicable in this case. (8 marks)

7. (a) In relation to intellectual property rights, highlight **five** rights of a patentee. (10 marks)

(b) In relation to the law of arbitration, outline **five** essentials of a valid award. (10 marks)

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