



**ZCAS University**

**SLA 2552 PROCUREMENT LEGAL FRAMEWORK**

**MID-TERM TEST**

**THURSDAY 19<sup>TH</sup> OCTOBER 2023**

**12:30Hrs to 15:30Hrs (Local Time)**

**TIME ALLOWED: THREE HOURS (plus 5 minutes to read through the paper)**

**INSTRUCTIONS:**

1. Section A: this question is **compulsory** and must be attempted.
2. Sections B: Answer Three (3) questions from this section.
3. This question paper carries a total of **100 marks**.
4. Candidates must **not turn this page** until the invigilator tells them to do so.
5. Students shall be allowed to carry clean and unmarked statute namely: English Sale of Goods Act of 1893

**SECTION A: Question 1 is compulsory and must be attempted**

**Question 1**

You are a procurement specialist for Research Development Zambia an international NGO that is spearheading the implementation of Artificial Intelligence System (AI) and related technologies in Zambia. Your organization has entered into a contract of sale with R.M Robotics Zambia Limited to develop and supply a prototype Artificial Intelligence System (AI) that is a General Purpose Technology (GPT) for use by Research Development and all its stakeholders.

The seller has delayed in meeting all deadlines of the contract of sale given to him despite a 25% advance payment being made.

- a) Citing relevant authorities explain two (02) ways that would constitute a breach of contract by the seller and four (04) remedies available to your organisations as the buying organisation? **(20 marks)**
- b) Explain one (01) way in which your organization would be in breach of the said contract and one (01) remedy that would be available for the supplier while citing relevant authorities? **(12 marks)**
- c) Explain what is meant by a contract of sale? **(8 marks)**

**(Total: 40 marks)**

## **SECTION B: Attempt any THREE questions in this section**

### **Question 2**

An electricity producing and generating company ESKOMZ advertised a tender for the supply of various equipment which included ladders. 10 suppliers submitted quotations and Luro Zambia Ltd was awarded the tender under the simplified bidding procedure for the supply of ladders and live line testers. When Luro Zambia Ltd delivered the ladders, ESKOMZ stores controller and the project engineer refused to accept them saying they were “wobbly and sagging” and therefore not suitable for use on overhead power lines. ESKOMZ therefore refused to pay the supplier the ZMW948,000.00 for the contract price. Having failed to get the monies spent on ordering the Ladders from China, Luro Zambia Ltd has sent a *notice of intention to take legal action* against ESKOMZ in the High Court of Zambia, claiming for his payment, breach of contract and damages. You are the procurement specialist of ESKOMZ with vast knowledge of the regulatory environment of procurement and supply in Zambia and also very knowledgeable of the English Sale of Goods Act of 1893 which is applicable to the business transactions in Zambia.

- (i) With relevant examples and applicable authorities advise the Chief Executive Officer on the action to be taken.

**(20 marks)**

### **Question 3**

List and explain the essential elements of a binding contract under the Law of Contract citing relevant authorities.

**(20 marks)**

### **Question 4**

Kendrake Ltd is a food supplier to a large retail supermarket. Kendrake Ltd was approached by the supermarket who requested that it should add an extra 25% volume to some produce to assist the supermarket with a special promotion. However, the price Kendrake Ltd would charge to the supermarket would remain the same. Kendrake Ltd was reluctant to enter into this agreement but felt compelled to agree when the supermarket suggested that it might affect future business if it did not cooperate.



a) Assess whether there are any grounds for Kendrake Ltd to have the agreement set aside since it no longer wishes to provide the extra volume without some kind of compensation. **(10 marks)**

b) Evaluate the circumstances when the principle of mistake would render a contract void.

**(10 marks)**

**(Total: 20 marks)**

### **Question 5**

Briefly explain the following with reference to the contents of a contract and citing relevant authority.

(a) Terms of a contract. **(04 marks)**

(b) Conditions and the remedies for breach. **(04 marks)**

(c) Warranties and remedies for breach. **(04 marks)**

(d) rule in '*nemo dat quod non habet*'. **(04 marks)**

(e) the principle of '*caveat emptor*'. **(04 marks)**

**(Total: 20 marks)**

**END OF TEST**