

UGANDA MARTYRS UNIVERSITY, NKOZI CAMPUS/ LUBAGA

FACULTY OF BUSINESS ADMINISTRATION AND MANAGEMENT

DEPARTMENT OF MANAGEMENT SCIENCE

BPSCM I, (JAN INTAKE)

SEMESTER TWO 2021/2022

COURSE UNIT: LEGAL FRAMEWORK OF ORGANIZATIONS

CODE: PSM 1105

DATE: 13TH JULY, 2022

TIME: 2:00 AM -5:00 PM

Instructions:

- ✓ Answer any four questions.
- ✓ All questions carry equal marks.
- ✓ Do not **write** anything on the **question paper**

Question One

- a. Explain what a contract is and describe the different classifications of a contract. **10marks**
- b. A contract is considered valid only when it contains all the essential elements which make it legally recognized. Mention and explain these essential elements of a valid contract. **15marks.**

Question Two

- a. Every sovereign country in the world has developed its own laws despite other international laws in place. In your understanding, why do think this is necessary? Explain the difference between Law and Morality and, explain six purposes of setting law in a country like Uganda. **15marks**
- b. Illustrate using a diagram the court hierarchy of Uganda **(10marks)**

Question Three

Once the elements of a valid contract are proved to exist, then the contract does exist and is generally binding on the parties to it. However, a party to a contract which has all the elements may still be able to avoid his obligations under that contract by pointing out factors existing at the time that contract was made which renders it void, voidable or unenforceable. Once such factors exist, they affect validity of the contract even though it has all the elements of an otherwise a valid contract.

- i. Identify the term used to describe such factors. **1mark**
- ii. List and explain such five factors. **3marks each=15marks**
- iii. When signing a contract with your new organization, you were informed that certain types of contract at common law though not prohibited by any statute have been held by court to be prima facie illegal on the ground that they offend public policy. List and explain any six of such contracts. **09marks**

Question Four

You have signed a contract with MTN (U) ltd for five years. In the contract there is a clause which states that the contract may be discharged by either parties as they wish. But you are aware that there are many ways of discharging a contract. Identify such other ways of discharging a contract, and explain to him any exceptions (if any) on each. **25marks**

Question Five

- a. When your contract was being discharged, your supervisor explained that it was due to breach. Explain what is meant by breach of contract. What are the different remedies to breach of contract? **15marks**
- b. Explain what is meant by agency in the employment contract. In this contract who is an agent and who is a principal. **10marks**

Question Six

- a. There are many ways by which one can own a business. One is called partnership. Describe what partnership business means and explain how it is formed. **13marks**
- b. Explain six ways through which a court can dissolve partnership. **12marks**

The end.