Level 6 Professional Diploma in Procurement and Supply

PD6 - Legal aspects in procurement and supply (UK)

EXAM EXEMPLAR QUESTIONS

QUESTIONS
Q1 Learning outcome: 1.0

Kendrake Ltd is a food supplier to a large retail supermarket. Kendrake 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 would charge to the supermarket would remain the same. Kendrake 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 to have the agreement set aside since it no longer wishes to provide the extra volume without some kind of compensation. (15 marks)

(b) Evaluate the circumstances when the law of mistake would render a contract void. (10 marks)

Q2 Learning outcome: 2.0

(a) Explain the rules that would determine the legal validity of a Force Majeure clause. (12 marks)

Desiden Group supplied some valves to Muncar for a plumbing project. Muncar, through a fax enquiry expressly specified the valve must be compatible with the existing Corelex system. The valves provided by Desiden were of a different type with the result that the valves were incompatible, causing a property to flood. In addition, the valves were described as “suitable for use with the Corelex system”.

(b) Assess the legal basis of any claim that Muncar could make against Desiden. (13 marks)

Q3 Learning outcome: 3.0

(a) Explain the criteria that need to be satisfied for a restraint of trade clause (or restrictive covenant) to be legally enforceable. (12 marks)

(b) Analyse the main legal rules that apply to a procurement department that is planning redundancies. (13 marks)

Q4 Learning outcome: 4.0

Where a party suffers from a breach of contract, it is entitled to claim for all losses that result from it.

Evaluate the legal validity of this statement. (25 marks)