



THE CATHOLIC UNIVERSITY OF EASTERN AFRICA

A. M. E. C. E. A MAIN EXAMINATION

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AUGUST – DECEMBER 2018 TRIMESTER

FACULTY OF LAW

REGULAR PROGRAMME

CLS 411: INTERNATIONAL TRADE LAW

Date: DECEMBER 2018

Duration: 2 Hours

INSTRUCTIONS: Answer Question ONE and ANY OTHER TWO Questions

- Q1. a) Courts have in a number of cases defined CIF and FOB contracts. For example, in JOHNSON VS. TAYLOR BROTHERS (1928), the Judge defined a CIF contract, while in PILE & CO. VS. SUNDIA NAVIGATION CO. LTD (1954) the court attempted to define FOB contract. Majorly, the law regulating the forms of transport of goods by sea, storage, loading, custody, discharge of such goods, the eventual payments for goods delivered, the standard terms, documentation used and marine insurance in International Trade has been used to distinguish the two. With the use of the relevant case law, define and distinguish the two contracts.
(16marks)
- b) A seller in CIF contract has a duty to tender documents under a contract. In the circumstances where a seller makes a bad tender, he can retender provided it is within the time limit, where circumstances dictate reasonable time. The bill of lading is of great significance and hence must be tendered accordingly. Discuss.
(14marks)
- Q2. With the exception of FOB and CIF contracts, discuss the various international trade terms and explain how relevant they are to modern international trade.
(20marks)
- Q3. The study of International Trade law is of paramount importance in as far as the understanding of commercial trade is concerned. CIF contracts is a standard form of contract that guarantees exchange of goods and services thus the seller has distinct roles under the contract. Critically analyze this position with the use of decided cases.
(20 marks)

Q4. In CUMMINGHAM VS. MUNROE, court held that the shipment period was specified in FOB contract where the buyer had an obligation to nominate a ship that would load the goods before the end of October and the buyer was held not to be in breach. Consequently, a buyer has roles in FOB contracts distinct from those of a buyer in a CIF contract. Explain this with the use of relevant case laws. **(20 marks)**

Q5. In International Sales, the period during which goods are in transit and the fact that the buyer and seller are located in different and distinct locations (countries), exchange of goods for money can be difficult. Hence the realization of letters of credit which now creates assurance of payment between a buyer and a seller (exporter and importer). Critically discuss the various means of payment international trading. **(20 marks)**

END