INSTRUCTIONS:
Answer all questions.

QUESTION ONE
a) Differentiate between patent and latent defects. (4 marks)
b) Define “penalty” according to the Conventional Penalties Act 1962. (2 marks)
c) Is a client entitled to deduct penalties if in the final analysis he suffers little or no loss as a result of the late completion of works? (15 marks)
d) What are liquidated and ascertained damages? (4 marks)
e) Are minutes of site meetings regarded as an adequate notice of delay? (5 marks)

QUESTION TWO
a) “Arbitration is a better way of settling disputes than litigation”. Discuss this ascertainment. (10 marks)
b) Under what circumstances may a court set aside an Arbitrator’s award? (5 marks)
c) Discuss any other way of solving disputes in construction industry other than arbitration and litigation. (5 marks)

QUESTION THREE
a) What is a tender? (5 marks)
b) Briefly discuss the legalities involved in tendering. (10 marks)
c) List the set of tender documents. (6 marks)
d) What is an Interim Valuation? (4 marks)
QUESTION FOUR

a) With aid of examples, where possible, explain the following:

i) Agency (4 marks)
ii) Privity (4 marks)
iii) Vacarious liability (4 marks)
iv) Implied terms (4 marks)

b) List the three conditions under which a contract can be discharged. (9 marks)

END OF EXAMINATION