INTERNATIONAL UNIVERSITY OF EAST AFRICA
'Learning to Succeed'

FACULTY OF BUSINESS MANAGEMENT

END OF SEMESTER EXAMINATIONS - DECEMBER 2025

PROGRAMME: MBA
YEAR/SEM: YEAR 2/SEMESTER 1
COURSE CODE: MBA 830
NAME: INDUSTRIAL RELATIONS AND LABOUR LAWS

DATE:
TIME:

INSTRUCTIONS TO CANDIDATES:

SECTION A

THIS QUESTION IS COMPULSORY AND CARRIES 40 MARKS

Question 1:

Kisa Logistics Ltd hired Sarah as a warehouse supervisor. Her appointment letter stated that she would perform “any duties assigned from time to time.” For three months, she worked without receiving a written statement of particulars, despite requesting it several times.

During a stocktaking exercise, Sarah refused to enter a storage section filled with chemical fumes that caused severe irritation. The manager ordered her to proceed “as instructed,” but she declined, citing danger to her health and lack of protective equipment. She was summarily dismissed for “gross insubordination.”

Sarah challenges the dismissal as wrongful.

Question

(a) Using the Employment Act, 2006 and common law principles, analyse whether:
(i) a valid contract of employment existed,
(ii) the employer complied with their implied duties, and
(iii) Sarah’s refusal amounted to disobedience or a reasonable safety objection.
(20 marks)

(b) Evaluate the legality of the summary dismissal and discuss all possible remedies available to Sarah under common law and equity.
(20 marks)

Question 2:

Workers at Nyange Tea Factory complain of unsafe machines, lack of PPE, abusive supervisors, and unpaid overtime. They threaten to strike immediately without issuing notice. During the agitation, workers block the gate to prevent trucks from entering. A security guard attempting to disperse the workers accidentally injures a supplier.
Management declares a lock-out the next day until the workers “withdraw all threats.”

Question

(a) Using the Labour Disputes (Arbitration and Settlement) Act, 2006, and the Occupational Safety and Health Act:
(i) assess the legality of the threatened strike,
(ii) determine whether the employer’s lock-out was lawful.
(20 marks)

(b) Distinguish between a strike, picketing, and lock-out using statutory definitions, and analyse whether the employer may be held vicariously liable for the guard’s actions.
(20 marks)

Question 3:

Provide clear and concise explanations of the following concepts and show how they affect

the formation and validity of employment contracts: (5 marks each)
(a) Freedom of Contract
(b) Duress
(c) Undue Influence
(d) Inequality of Bargaining Power

SECTION B

ANSWER ANY 3 QUESTIONS IN THIS SECTION. EACH QUESTION CARRIES 20 MARKS

Question 1:

Provide brief but well-reasoned notes on the following concepts as they apply in labour law, highlighting their purpose and practical relevance: (5 marks each)
(a) Individual Labour Law: its scope and the types of rights it protects.
(b) Collective Labour Law: its relationship with trade unions and collective bargaining.
(c) Employment Standards: their statutory nature and minimum protections.
(d) Purpose of Labour Law: the balancing of employer–employee interests.

Question 2:

Describe four essential elements of a valid contract of employment and explain why each is necessary in establishing the legal relationship between employer and employee, making reference to statutory or common-law principles where appropriate. (20 marks)

Question 3:

Distinguish between a contract of service and a contract for services. In your answer, explain the legal consequences of misclassifying a worker under each category, particularly in relation to rights, liabilities, and statutory protections. (20 marks)

Question 4:

Using relevant case law, explain the control test, integration test, and multiple test as used by courts to determine the existence of an employer–employee relationship. Discuss the significance of each test in modern employment relations. (20 marks)

Question 5:

(a) Discuss four implied duties of an employee arising under statute and common law. (10 marks)
(b) Analyse the potential legal consequences if an employee breaches any one of these duties, including employer remedies. (10 marks)

Question 6:

Write short explanatory notes on the following duties, clearly indicating their legal basis, scope, and examples of how they arise in practice: (5 marks each)
(a) Duty of Fidelity
(b) Duty of Care (employee to employer)
(c) Duty of Obedience to lawful orders
(d) Duty of Co-operation

Question 7:

Discuss the legal principles governing covenants in restraint of trade. Explain the

circumstances under which such restraints may be considered reasonable, valid, and enforceable in employment contracts. (20 marks)

Question 8:

Explain three legally recognised methods by which a contract of employment may be terminated. For each method, identify one statutory safeguard intended to protect the employee from unfair or arbitrary dismissal. (20 marks)

Question 9:

Define summary dismissal within the context of the Employment Act. Identify and explain five specific acts of misconduct that may justify this form of dismissal, using statutory examples or case law to support your answer. (20 marks)

Question 10:

Explain the doctrine of vicarious liability, outlining the conditions under which an employer may be held legally responsible for the torts committed by an employee in the course of employment. (20 marks)

Question 11:

Outline the major statutory obligations of an employer under the Occupational Safety and Health Act, 2006, with specific reference to safe premises, safe systems of work, machinery safety, welfare facilities, and employee training. (20 marks)

Question 12:

Draft a simple employment contract employing Mugisha Moses as an Engineer in Dehezi Construction company and highlight the main (salient) terms that are normally required in employment contracts.