INTERNATIONAL UNIVERSITY OF EAST AFRICA
'Learning to Succeed'

FACULTY OF LAW

END OF SEMESTER EXAMINATIONS - DECEMBER 2025

PROGRAMME: LLB
YEAR/SEM: YEAR 4/SEMESTER 1
COURSE CODE: LLB 4108
NAME: INTERNATIONAL TRADE AND BUSINESS

DATE:
TIME:

INSTRUCTIONS TO CANDIDATES:

SECTION A

This question is compulsory

Question 1:

On 5 June 2024, Mr. Kamau, a Kenyan journalist, booked a flight with Sky World Airlines from Nairobi to London.

While passengers were boarding, a cabin crew member accidentally spilled hot coffee on Kamau's lap, causing severe burns. Despite his requests for medical attention, he was told to wait until the flight landed in London, worsening his condition.

When Kamau arrived, he discovered that his checked baggage, containing expensive camera equipment worth $8,000, had been badly damaged. The airline later argued that the damage resulted from a "pre-existing defect" in the suitcase's frame and that Kamau had packed his camera improperly.

Twenty-five days later, Kamau's second piece of checked baggage had still not been delivered. The airline insisted that it was "still being traced."

Kamau now wishes to sue SkyWorld Airlines under the Montreal Convention (1999).

(a) Advise Kamau on whether SkyWorld Airlines is liable for his personal injuries (**10 marks**)

(b) Discuss the extent of the airline's liability for the damaged camera equipment and the missing baggage, *(***10 marks***)*

(c) Identify and evaluate any possible defences that SkyWorld Airlines might rely upon to limit or avoid liability under the Convention. ***(5***

marks*)*

Question 2:

Makwe Motors (U) Ltd , a Ugandan company dealing in the sale of motorcycles, entered into a CIF contract with STB India Co. Ltd for the purchase of 50 Bajaj Boxer motorcycles to be shipped from India to Mombasa Port. Under the contract, the seller was to provide a bill of lading, insurance policy, and commercial invoice, while the buyer was to pay upon tender of these documents. Shipment was scheduled for June 2021. The seller delivered the goods to a carrier and shipped them on 5 June 2021. Two weeks later, a severe storm at sea destroyed 20 motorcycles. When the remaining goods arrived at Mombasa, three were damaged due to the negligence of ship workers during unloading. The buyer refused to pay, arguing that they would only pay for the 27 motorcycles in good condition. Later, they also rejected five more motorcycles, claiming they were unsuitable for delivery service. The buyer left these at the port, where they were eventually stolen. The seller now seeks your advice on their rights and obligations under the law of international trade. Analyse all the issues involved and advise the parties. [25 Marks]

SECTION B

Choose any 1 from 2

Question 1:

Write short notes by giving advantages and disadvantages on the following INCOTERMs:

a) CPT (5 MARKS)

b) CIP (5 MARKS)

c) DPU (5 MARKS)

d) DAP (5 MARKS

e) DDP **(5** MARKS)

Question 2:

Explain the following terms under international trade and business law

a) Constructive delivery (5 MARKS)

b) Seller's right to remedy (5 MARKS)

c) Buyer's obligation of notifying the non-conformity (5 MARKS)

d) Offer under the CISG (10 MARKS

Question 3:

a) Define a contract of carriage of goods by sea and identify its essential elements. (10 marks*)*

b) Distinguish between a charterparty and a bill of lading**.** *(*5 marks*)*

c) Explain the functions of a bill of lading in maritime law. (5 marks)

d) What are the main obligations of the carrier under a contract of carriage of goods by sea? *(*5 marks*)*

Question 4:

- Define a **contract of carriage by air** and identify its essential elements. *(5 marks)*
- What are the **main documents** used in the carriage of goods by air?

(5 marks)

- Explain the **function and legal significance** of an **air waybill**.
  (5 marks)
- Distinguish between **passenger carriage** and **cargo carriage** under the **Montreal Convention (1999)**.
  (5 marks)
- What are the **obligations of the carrier** under a contract of carriage by air?
  (5 marks)

SECTION C

Choose any 2 from 4

Question 1:

The Airway Bill serves as a useful function as a document of title, as well as being evidence of the contract of carriage. **Discuss the contents and functions of the airway bill with examples.**

Question 2:

a) Explain the core principles of the World Trade Organization (WTO) and discuss their significance in promoting international trade. (15 marks)

b) With relevant examples, analyze how the principles of Most-Favoured-Nation (MFN) and National Treatment operate in practice and the challenges associated with their implementation. (10 marks)

Question 3:

a) Explain the essential elements required for the formation of an international sale of goods contract under the CISG. (**15 marks**)

b) Discuss the remedies available to the buyer and the seller in case of breach of the contract, providing relevant examples. (10 marks)

Question 4:

(a) Explain the main obligations of both the seller and the buyer under the CISG in an international sale of goods contract. **(15 marks**)

(b) Discuss the consequences for either party if they fail to perform their obligations, providing relevant examples. (10 **marks**)

Question 5:

Discuss the case of UNITED TECHNOLOGIES INTERNATIONAL, INC. v. MAGYAR LÉGI KÖZLEKEDÉSI VÁLLALAT

and its relvance/ importance to international trade and business law. (**25 marks**)