INTERNATIONAL UNIVERSITY OF EAST AFRICA
'Learning to Succeed'

FACULTY OF LAW

END OF SEMESTER EXAMINATIONS - DECEMBER 2025

PROGRAMME: LLB
YEAR/SEM: YEAR 3/SEMESTER 1
COURSE CODE: LLB 3107
NAME: LAW OF SALE OF GOODS

DATE:
TIME:

INSTRUCTIONS TO CANDIDATES:

SECTION A

This Question is COMPULSORY.

Question 1:

In May 2024, Kato, a farmer in the remote district of Nakaseke, decided to expand his agricultural operations by acquiring a water-pumping system capable of supplying water to his newly established irrigation scheme. After receiving recommendations, he visited Aqua Tech Supplies Ltd, a well-known dealer in water pumps and agricultural machinery.

At the shop, Kato met Mr. Musa, a sales representative. Kato clearly explained that he needed a pump specifically capable of drawing water from a 40-metre-deep borehole and pumping it across a distance of 3 kilometres to his farm. He emphasized that the entire irrigation project depended on obtaining a pump suitable for this particular purpose. Musa assured him that the Turbo Max 5000 Water Pump would be “perfectly suitable for that purpose and designed for heavy-duty long-distance irrigation.”

Before finalizing the transaction, Musa presented Kato with a standard-form contract, printed in very small font. Without reading it, Kato signed at the bottom. The contract contained an exclusion clause stating:

“Aqua Tech Supplies Ltd shall not be liable for any defects, failures, or unsuitability of the goods supplied, whether express or implied. The buyer acknowledges that he relies solely on his own judgment. Liability for breach of any condition or warranty is strictly excluded.”

After delivery and installation of the Turbo Max 5000 pump, Kato discovered that the machine could only draw water from a depth of 15 metres, far below what he required. Furthermore, the pump overheated and broke down after operating for only 15 minutes due to the long pumping distance. As a result, Kato suffered severe losses, as his entire irrigation plan failed and he had already planted crops relying on the promised water supply.

When he returned to complain, Aqua Tech’s manager dismissed his claims, arguing that Kato had signed a binding exclusion clause and the company owed him no responsibility. The manager further insisted that the company had merely supplied the pump, and it was up to Kato to determine whether it was suitable for his purpose.

Citing relevant applicable laws, identify the legal issues raised by the facts above and advise the parties accordingly.

Question 2:

In June 2024, Daniel, a bricklayer working in a rapidly developing rural town, decided to expand his freelance construction business. He visited Build Right Hardware Ltd, a well-established supplier of construction tools and machinery. Upon arrival, Daniel explained to the sales assistant, Clara, that he needed a cement-mixing machine specifically suitable for continuous heavy-duty use on large building sites, as he had secured a contract to construct several commercial structures over the next six months. Clara assured him that the “Turbo Mix 5000” model would be perfectly fit for that purpose, emphasising that it was “designed for rigorous, long-term industrial work.”

Relying on this advice, Daniel purchased the mixer at UGX 8,500,000. He received an electronic receipt by email after payment. However, unbeknownst to him, the receipt contained a small-print clause at the bottom stating:

“Build Right Hardware Ltd accepts no liability for defects, breakdowns, or failure of any machinery after sale. All purchases are strictly ‘as is,’ and the buyer assumes full responsibility.”

The receipt was sent only after the transaction was completed. No prior verbal or written notice of an exclusion clause had been provided, nor was any signage displayed in the store.

Two weeks later, while using the Turbo Mix 5000 at his construction site, the machine malfunctioned severely. It overheated, stopped rotating, and released smoke. A certified technician later reported that the mixer was not designed for continuous industrial use, but rather for small-scale, intermittent domestic projects. Due to the breakdown, Daniel suffered project delays, hired alternative equipment at high cost, and lost reputation with the contracting company.

When Daniel returned to Build Right Hardware Ltd seeking a refund or replacement, the manager refused, relying on the exclusion clause in the emailed receipt and insisting that “all buyers are bound by the terms once they receive the receipt.”

Citing relevant applicable laws, identify the legal issues raised by the facts above and advise the parties accordingly.

SECTION B

Choose ONE from TWO.

Question 1:

With reference to the Sale of Goods and Supply of Services Act Cap 292 and other relevant statutory instruments, as well as established common law principles and judicial precedents, provide a detailed exposition distinguishing a contract of sale from the following juridical arrangements.

(a) Bailment.

(b) Hire purchase.

(c) Barter exchange.

(d) Gifts.

(e) Loan agreement.

Question 2:

Citing relevant applicable laws, write short notes on the following: -

(a) Ascertainment of the price.

(b) Caveat emptor.

(c) Difference between a condition and a warrant.

(d) Unpaid seller.

Question 3:

Citing relevant applicable laws, write short notes on the following: -

(a) Distinguish a sale from an agreement to sell.

(b) Distinguish a contract of sale from a contract of supply of services.

(c) The doctrine of fundamental breach.

(d) The *'contra-preferentum rule'.*

Question 4:

Citing relevant applicable laws write short notes on the following: -

(a) Transfer of property in ascertained/specific goods.

(b) Transfer of property in unascertained/future goods.

SECTION C

Choose TWO from FOUR.

Question 1:

With reference to the Sale of Goods and Supply of Services Act and relevant judicial authorities, critically discuss the various terms that are implied into a contract of sale, outlining their legal significance.

Question 2:

Citing relevant applicable laws discuss the *nemo dat quod non habet rule* in the context of a contract of sale, clearly indicating why the rule is important in protecting property rights, and the key exceptions that allow a non-owner to transfer good title to a buyer.

Question 3:

With reference to the pertinent statutory provisions and judicial authorities, critically examine the legal conditions under which a court will uphold and give effect to an exclusion clause within a contract of sale.

Question 4:

Citing relevant applicable laws, discuss the legal duties imposed upon a buyer under a contract of sale.

Question 5:

Discuss, with reference to the Sale of Goods and Supply of Services Act Cap 292 and decided case law, the remedies available to an unpaid seller.