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**UNIVERSITY EXAMINATIONS  
2023/2024 ACADEMIC YEAR  
SECOND YEAR FIRST SEMESTER  
MAIN EXAMINATION**

**FOR THE DEGREE OF MASTER OF BUSINESS  
ADMINISTRATION**

**COURSE CODE: LSM 818**

**COURSE TITLE: LEGAL ISSUES IN LOGISTICS AND SUPPLY  
CHAIN MANAGEMENT**

**DATE: 07/12/2023      TIME: 9:00 AM-12:00PM**

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**INSTRUCTION TO CANDIDATES**

- 1) The paper contains **FIVE** questions
- 2) Attempt **THREE** questions
- 3) Question **ONE** is Compulsory

**TIME: 2 Hours**

### **QUESTION ONE – 30 MARKS**

- a. Demonstrate your understanding of the key legal considerations in international supply chain management, and how do they impact the movement of goods across borders. [8 Marks]
- b. Discuss the legal implications and challenges of managing a sustainable and eco-friendly supply chain, exemplifying how companies ensure compliance with environmental regulations while optimizing their logistics operations. [8 Marks]
- c. Explore the role of contracts in supply chain management exemplifying the essential elements of a legally binding supply chain contract, and showing how companies mitigate risks through effective contract management. [8 Marks]
- d. Analyze the legal issues surrounding product liability in supply chain management, showing how companies protect themselves from liability when dealing with defective products within their supply chains. [6 Marks]

### **QUESTION TWO – 20 MARKS**

- a. Explain the legal considerations for managing third-party logistics (3PL) relationships showing the contractual, liability, and regulatory issues associated with outsourcing logistics functions to third-party providers. [10 Marks]
- b. Assess the role of intellectual property rights in supply chain management, exemplifying how companies protect their intellectual property throughout the supply chain. [10 Marks]

### **QUESTION THREE – 20 MARKS**

- a. Explore the legal issues and responsibilities of supply chain sustainability, including the social and ethical aspects; showing how companies ensure compliance with labor standards, human rights, and fair trade practices in their supply chains. [10 Marks]
- b. Discuss the impact of force majeure clauses and other legal mechanisms for managing unexpected disruptions in the supply chain, such as natural disasters or pandemics. [10 Marks]

### **QUESTION FOUR – 20 MARKS**

- a. Evaluate the legal challenges related to customs and import/export regulations, demonstrating how companies navigate complex trade regulations and compliance requirements in different countries to ensure the efficient flow of goods. [10 Marks]
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- b. Discuss the impact of data privacy and cybersecurity regulations on supply chain management; and show how legal requirements for data protection affect the sharing of sensitive information within the supply chain, and what steps can organizations take to ensure compliance. [10 Marks]

**QUESTION FIVE – 20 MARKS**

- a. Describe the impact of regional trade agreements and customs unions on Kenya's customs law; showing how the country's participation in organizations like the East African Community (EAC) affect its customs regulations and trade relations. [10 Marks]
- b. Explore the concept of customs compliance and the penalties for non-compliance in Kenya and demonstrate how can businesses ensure they adhere to customs regulations to avoid legal issues and financial penalties. [10

Marks]