

PRINCIPLES OF COMMERCIAL LAW

UNIT CODE: 0421 451 05A

TVET CDACC UNIT CODE: BUS/CU/HRM/CC/02/5/MA

Duration of Unit: 100 Hours

Relationship to Occupational Standards; this unit addresses the Unit of Competency: Apply Principles of Commercial Law

UNIT DESCRIPTION

This unit specifies the competencies required to apply principles of commercial law; It involves demonstrating an understanding of nature of law, Illustrating the structure of court system in Kenya, applying law of tort, law of contract, law of sale of goods, hire purchase contracts, law of agency, law of negotiable instruments, the law of insurance and the law of property.

Learning outcomes

	ELEMENTS	DURATION (HOURS)
1	Demonstrate Understanding of Nature of Law	10
2	Illustrate Structure of Court System In Kenya	8
3	Apply law of Tort	10
4	Apply law of Contract	10
5	Apply law of Agency	12
6	Apply law of Sale of Goods	10
7	Apply hire purchase contracts	10
8	Apply law of negotiable instruments	10
9	Apply law of insurance	10
10	Apply law of property	10
	TOTAL	100

Learning Outcomes, Content and Suggested Assessment Methods

Learning outcome	Content	Suggested Methods	Assessment
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1. Demonstrate Understanding of Nature of Law	1.1 Nature of law 1.2 Purpose of law 1.3 Sources of law. 1.3.1 Constitution 1.3.2 Legislation 1.3.3 Common law 1.3.4 Equity 1.3.5 African customary law 1.3.6 Islamic law 1.4 Classifications of Commercial Law 1.4.1 Written and unwritten 1.4.2 National and international 1.4.3 Public and private 1.4.4 Substantive and procedural 1.4.5 Criminal and civil 1.5 Comparison between Law and Morality	• Practical assessment • Written assessment • Portfolio of Evidence • Third party report • Oral questions
2 Illustrate Structure of Court System In Kenya	2.1 Court structure in Kenya 2.2 Composition of Kenyan courts 2.2.1 Supreme Court 2.2.2 Court of Appeal 2.2.3 High Court 2.2.4 Employment and Labour Relations Court 2.2.5 Environment and Land Court 2.2.6 Magistrates Court 2.2.7 Court Martial 2.2.8 Kadhis' Court	• Practical assessment • Written assessment • Portfolio of Evidence • Third party report • Oral questions

	2.3 Jurisdiction of Courts. 2.3.1 Original 2.3.2 Appellate 2.3.3 Territorial. 2.3.4 Pecuniary 2.4 Procedure of appointment and removal of magistrates and judges 2.5 Tribunals 2.6 The role of the JSC, AG, LSK, and ODPP in the Kenyan legal system.	
3 Apply Law Of Tort	3.1 Nature of tortious liability 3.2 Tort, crime vs breach of contract 3.3 Capacity to sue /be sued by the law of tort. 3.4 Types of tort. 3.4.1 Negligence 3.4.2 Defamation 3.4.3 Nuisance 3.4.4 Trespass 3.5 General defences in tort 3.6 Elements of tort	• Practical assessment • Written assessment • Portfolio of Evidence • Third party report • Oral questions
4 Apply Law Of Contract	4.1 Essential of a valid contract 4.1.1 Offer 4.1.2 Acceptance 4.1.3 Capacity 4.1.4 Intention 4.1.5 Consideration	• Practical assessment • Written assessment • Portfolio of Evidence • Third party report • Oral questions

	4.1.6 Legality 4.2 Types of Contracts 4.2.1 Specialty/written 4.2.2 Simple contracts 4.2.3 Contracts under seal 4.2.4 Contracts requiring written evidence 4.2.5 Evidence in Writing 4.3 Methods of discharging a contract. 4.3.1 Express agreement 4.3.2 Performance 4.3.3 Breach 4.3.4 Impossibility/doctrine of frustration 4.3.5 Operation of law 4.4 Remedies of breach of a contract 4.4.1 Equitable doctrine of part performance 4.5 Terms of contract 4.5.1 Express 4.5.2 Implied	
5 Apply law of agency	5.1 Formation and classification of agents 5.1.1 General agent 5.1.2 Special agent 5.2 Agents' authority 5.3 Duties of agents 5.3.1 Performance 5.3.2 Obedience 5.3.3 Care and skill 5.3.4 Estoppel	• Practical assessment • Written assessment • Portfolio of Evidence • Third party report • Oral questions

	5.3.5 Account 5.3.6 Personal performance 5.4 Rights of Agents 5.4.1 Rights to sue 5.4.2 Right to lien 5.5 Methods of terminating an agency. 5.5.1 Agreement 5.5.2 Withdraw 5.5.3 Death 5.5.4 Performance 5.5.5 Lapse of time 5.5.6 Insanity 5.5.7 Bankruptcy	
6 Apply Law of Sale of Goods	6.1 Sale and agreement to sell 6.2 Capacity to buy and sell. 6.3 Terms of Sale of Goods. 6.3.1 Conditions 6.3.2 Warranties 6.4 Caveat emptor 6.4.1 Meaning Of Caveat Emptor 6.4.2 Exception To Caveat Emptor 6.5 Factors affecting the transfer of title. 6.6 Rights of parties in the sale of goods. 6.7 Auction process. 6.8 Duties of the seller 6.9 Duties of the buyer.	• Practical assessment • Written assessment • Portfolio of Evidence • Third party report • Oral questions

7 Apply Hire Purchase Contracts.	7.1 Nature of Hire Purchase 7.2 Hire purchase agreement. 7.3 Conditions of Terminating Hire Purchase Agreement. 7.4 Completion of hire purchase agreement.	• Practical assessment • Written assessment • Portfolio of Evidence • Third party report • Oral questions
8 Apply Law Of Negotiable Instruments	8.1 Negotiable instruments. 8.1.1 Cheques 8.1.2 Bill of exchange 8.1.3 Promissory note 8.2 Characteristics of negotiable instruments. 8.3 Elements of negotiable instruments.	• Practical assessment • Written assessment • Portfolio of Evidence • Third party report • Oral questions
9 Apply Law Of Insurance	9.1 Insurance contracts 9.1.1 Elements of insurance. 9.2 Principles of insurance. 9.2.1 Utmost good faith. 9.2.2 Subrogation 9.2.3 Indemnity 9.2.4 Proximate cause 9.2.5 Third party insurance 9.2.6 Re-instatement. 9.2.7 Salvage. 9.2.8 Contribution and appointment.	• Practical assessment • Written assessment • Portfolio of Evidence • Third party report • Oral questions

	9.3 Formation of insurance contract 9.4 Requirement for insurance contract. 9.5 Discharge of insurance contract.	
10 Apply Law of Property.	10.1 Classifications of property 10.1.1 Real and personal 10.1.2 Movable 10.1.3 Immovable 10.1.4 Tangible 10.1.5 Intangible 10.2 Land interest. 10.3 Intellectual property. 10.3.1 Patents 10.3.2 Trademarks 10.3.3 Copyrights 10.3.4 Industrial designs	• Practical assessment • Written assessment • Portfolio of Evidence • Third party report • Oral questions

Suggested Methods of Delivery

- Demonstration
- Practical work by trainee
- Fieldwork and benchmarking
- Group discussions
- Case studies
- Role play

Recommended Resources for 30 Trainees

S/No.	Category/Item	Description/Specifications	Quantity	Recommended Ratio (Item: Trainee)
A	Learning Materials			
1.	Textbooks		5 pcs	1:6
2.	PowerPoint presentations	For trainer's use		

3.	Projector		1	1;30
4.	Whiteboard		1	1;30
5.	Report writing templates			
6.	Rolls flip charts		1	1;30
7.	Assorted color of whiteboard markers	For trainers Use		
B	Learning Facilities & infrastructure			
1.	Lecture/theory room		1	1:30
2.	Computer Laboratory		1	1:30
C	Consumable materials			
1.	Assorted whiteboard markers		30	1:1
2.	Internet connection		200 mbps	-
3.	Antivirus Software			-
4.	Printing Papers		Enough	-
5.	External storage media		1 tb	-
D	Tools and Equipment			
1.	Printers		2 pcs	2:30
2.	Computers	With Windows /Linux/Macintosh Operating System, Microsoft Office Software, Google Workspace Account, Antivirus Software	30pcs	1:1
3.	Mobile phones		10	10:30

References

1. Organization operating procedures
2. Industry/workplace codes of practice
3. Text books
4. Human resource management journals
5. Magazines
6. E-learning resources