



MUEO

# **MOI UNIVERSITY**

OFFICE OF THE CHIEF ACADEMIC OFFICER

## **UNIVERSITY EXAMINATIONS**

### **2021/2022 ACADEMIC YEAR**

*SECOND YEAR END OF SEMESTER EXAMINATIONS*

## **FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT**

**COURSE CODE:**            **BBM 215**

**COURSE TITLE:**        **BUSINESS LAW II**

**DATE:** 1<sup>ST</sup> AUGUST, 2022

**TIME:** 2.00 PM-5.00 PM

---

### **INSTRUCTION TO CANDIDATES**

- SEE INSIDE

THIS PAPER CONSISTS OF (2) PRINTED PAGES

PLEASE TURN OVER

**BBM 215: BUSINESS LAW II  
MAIN EXAMINATION**

**Answer Question ONE and THREE OTHER Questions**

**QUESTION ONE**

In *Photo Productions Ltd v Securicor Transport Ltd* [1980]. Chadwick L J stated: "experienced businessmen representing substantial companies of equal bargaining power . . . should be taken to be the best judge of the commercial fairness of the agreement which they have made; including the fairness of each of the terms in the agreement. . . Unless satisfied that one party has, in effect, taken advantage of the other - or that a term is so unreasonable that it cannot properly have been understood or considered - the court should not interfere. Explain how Sale of Goods Act interferes with this freedom of contract (20 marks)

What are the ingredients of a contract of sale? (5 marks)

**(Total: 25marks)**

**QUESTION TWO**

a) Compare and contrast the legal forms and management structures of Limited Liability Partnership, Limited Partnership and General Partnership (9 marks)

b) Describe the relationship between partners in a partnership business among themselves and the business. (6 marks)

**(Total: 15marks)**

**QUESTION THREE**

(a) In *Rowland v Divall* (1923) CA The plaintiff purchased a car from the defendant. Two months later it was discovered that the car was stolen property and the plaintiff had to give it up to the police. The car was stolen before it came to the defendant and both parties were innocent. The plaintiff sued the defendant for the whole of his money back. What legal issues must be determined? Do you think the plaintiff will succeed? (8 marks)

(b) What remedies are available in a breach of contract of sale of goods? (7 marks)

**(Total: 15marks)**

**QUESTION FOUR**

**In *Freeman & Lockyer v Buckhurst and Kapoor* (1964) CA, Diplock LJ stated:**  
[agency] is a legal relationship between the principal and the agent created by a consensual agreement to which they alone are parties. Its scope is to be ascertained by applying ordinary principles of construction of contracts, including any proper implications from the express words

used, the usages of the trade, or the course of business between the parties. Discuss the practicability of this definition and its shortcomings (10 marks)

What's the legal position regarding an undisclosed principal and third parties (5 mark)

**(Total: 15marks)**

#### **QUESTION FIVE**

(a) What are the tenets of a valid hire purchase agreement? (8 marks)

(b) Discuss how consumers of hire purchase services and products are protected under Kenyan law (7 marks)

**(Total: 15marks)**

#### **QUESTION SIX**

(a) Tenancy is letting of premises for a relatively short duration compared to a lease. The landlord throughout retains title to the property but the tenant is entitled to its immediate possession. What are the various forms of tenancy? (5 marks)

(b) An owner of property is a person who is entitled to all the legal rights over it, particularly where such right include the right to exclusive use over it and possession of the property. Discuss how ownership to land is acquired in Kenya. (10 marks)

