



MUEO

MOI UNIVERSITY

**OFFICE OF THE DEPUTY VICE CHANCELLOR, ACADEMIC
AFFAIRS, RESEARCH & EXTENSION**

**UNIVERSITY EXAMINATIONS
2014/2015 ACADEMIC YEAR**

SECOND YEAR END OF SEMESTER EXAMINATIONS

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

EXAM CODE:- BBM 215

COURSE TITLE:- BUSINESS LAW II

DATE:- 26TH AUGUST, 2015

TIME:- 2.00P.M. – 5.00P.M.

INSTRUCTION TO CANDIDATES

➤ SEE INSIDE.

THIS PAPER CONSISTS OF (2) PRINTED PAGES

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INSTRUCTIONS TO CANDIDATES

- 1. ANSWER QUESTION ONE AND ANY OTHER THREE QUESTIONS**
- 2. CLARITY AND COHERENCE OF YOUR ARGUMENT IS IMPORTANT**

ANSWER QUESTION ONE AND ANY OTHER THREE QUESTIONS

QUESTION ONE

- a) Summarize the rules relating to the transfer of property in goods from the seller to the buyer under a contract for the sale of goods. **(7 marks)**
- b) Kimari delivered jewellery to Wahome on “sale or return” for a decision to be made within 14 days. Wahome sold the jeweller to Anita on the third day after delivery without signifying acceptance to Kimari. Can Kimari recover the jewellery from Anita? Give clear reasons for your answer. **(8 marks)**
- c) Shed light on the conditions and warranties which are implied in a contract of sale of goods by the Sale of Goods Act (Cap. 31) Law of Kenya. **(10 marks)**

QUESTION TWO

- a) Define and explain the nature of a hire-purchase agreement. **(5 marks)**
- b) What does the Hire-purchase Act (Cap. 507) Laws of Kenya provides as regards registration of hire-purchase agreements? To what extent does the Hire-purchase Act of Kenya protect the hirer of goods against the owner of the goods? **(6 marks)**
- c) How does a hire purchase agreement differ from: (i) a credit sale agreement, and (ii) a conditional sale agreement? **(4 marks)**

QUESTION THREE

- a) What do you understand by discharge of a bill under the law of negotiable instruments? Under what circumstances is a bill said to be discharged? **(9 marks)**
- b) Explain what is meant by the terms ‘holder in due course’ and ‘holder for value’ of a bill of exchange, and outline their legal rights. **(6 marks)**

QUESTION FOUR

- a) S 3(1) of the Bankruptcy Act gives 8 Acts of Bankruptcy. Critique. **(6 marks)**
- b) What is legal effects of bankruptcy proceedings on the liberties of the insolvent debtor **(4 marks)**
- c) Under what circumstance can the court annul bankruptcy orders? **(5 marks)**

QUESTION FIVE

- a) One of the duties of an agent to his principals is “*delegatus non protest delegare*” What do you understand by this statement? What are the exceptions to this rule? **(6 marks)**
- b) A made an offer to B, the managing director of a company, for the supply of certain building materials. B accepted the offer, without authority, on behalf of the company. Then A withdrew his offer, and gave the company a notice to that effect. The company subsequently ratified B’s unauthorized acceptance. Discuss the legal position. **(9 marks)**

QUESTION SIX

Write short notes on the followings:

- a) Forwarding Note
- b) Charter Party
- c) Bill of Lading
- d) Airway Bill
- e) Common carrier

(15 marks)