

CHUKA



UNIVERSITY

UNIVERSITY SUPPLEMENTARY/SPECIAL EXAMINATIONS.

FIRST YEAR EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF SCIENCE IN HORTICULTURE

BCOM/BBAM 303: BUSINESS LAW II

STREAMS:

TIME: 2 HOURS

DAY/DATE: TUESDAY 11/09/2018

11.30 A.M - 1.30 P.M

INSTRUCTIONS:

- Answer Question 1 and any other TWO Questions

QUESTION ONE

- (a) With reference to contract of sale of goods, explain the implied conditions on the part of the seller under Cap31 Laws of Kenya. [8 Marks]
- (b) Explain the duties of a partner in a partnership. [6 Marks]
- (c) Discuss the similarities and differences between a cheque and a promisory Note. [10 Marks]
- (d) Evaluate why it is important to know who has property in goods at a particular moment. [6 Marks]

QUESTION TWO

- (a) Discuss with examples the duties of parties in agent –principal relationship [8 Marks]
- (b) Explain the circumstances under the contract of sale of goods one can give what he /she does not have. [12 Marks]

QUESTION THREE

- (a) Explain the obligations of a hirer in a contract of Hire Purchase [5 Marks]
- (b) Distinguish between contract of indemnity and contract of guarantee. [10 Marks]
- (c) Eric to meet the claims of his creditors, borrowed ksh 10,000/= from Mwita, to protect his interest, Mwita, takes out an insurance policy on the life of Eric. Eric pays the entire amount to Mwita and then dies. Can Mwita recover on the policy? Give reasons for your answer.

[5 Marks]

**QUESTION FOUR**

(a) Explain the ways of terminating a partnership contract through operation of law.

[10 Marks]

(b) Discuss the essentials of a valid sale contract.

[10 Marks]

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