

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

EXAMINATION FOR THE AWARD OF DEGREE
OF BACHELOR OF COMMERCE

BCOM 301: BUSINESS LAW II

STREAMS: BCOM

TIME: 2 HOURS

DAY/DATE: WEDNESDAY 18/11/2020

5.00 P.M. – 7.00 P.M.

INSTRUCTIONS:

- Answer question one and any other three
- Do not write anything on the question paper

QUESTION 1

- (a) Elucidate the concept of contract of sale. How does sale differ from an agreement to sell (10 marks)
- (b) A & B are partners. Unfortunately they did not provide in their agreement what belongs to the firm as its property. They have now a dispute as to what belongs to the firm and individual partners. What are the rules which can be applied to decide what belongs to the firm? (5 marks)
- (c) A hirer, who obtains possession of a refrigerator from its owner under hire purchase agreement, sells it to a buyer who buys in good faith and without notice of right of owner. Does the buyer get title to the refrigerator? Give the reason for your answer. (5 marks)
- (d) Explain five ways which agency relationship is terminated. (10 marks)

QUESTION 2

- (a) Explain the implied conditions of a contract of sale. (10 marks)
- (b) Distinguish between contract of indemnity and contract of guarantee (5 marks)
- (c) Explain the duties of the hirer in hire purchase contract (5 marks)

QUESTION 3

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- (a) Discuss fully the rules governing passing of property in case of:
- (i) Future goods (6 marks)
 - (ii) Ascertained goods (6 marks)
- (b) Explain the fiduciary relationship of partners in a partnership. (8 marks)

QUESTION 4

- (a) "Every man who receives any portion of the profits of a business has to incur therein the liability of a partner". Critically examine in the requirements of a partnership and the statement that certain persons, though they get a share profits are not regarded as partners. (5 marks)
- (b) Explain five principles of insurance (10 marks)
- (c) Explain the duties of common carriers (5 marks)
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