



MACHAKOS UNIVERSITY

University Examinations for 2019/2020 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

THIRD YEAR SECOND SEMESTER EXAMINATION FOR

BACHELOR OF COMMERCE

BBA 302: BUSINESS LAW II

DATE: 16/11/2020

TIME: 8:30 – 10:30 AM

INSTRUCTIONS:

Answer Question one and any other two Questions.

QUESTION ONE (COMPULSORY) (30 MARKS)

According to the sale of goods Act Cap 31, a contract for sale of goods is one where one person called a seller undertakes to transfer some goods to another person known as a buyer, for a monetary consideration called price. Such contracts exclude those where goods are exchanged for goods, those which entail contracts for work and materials and also those others where the chattels are immovable or choses in action. Thus a contract for sale of goods require that the items on transfer are movable and the consideration is money.

- a) Discuss the rights of an unpaid seller against the buyer of the goods in a contract for sale of goods. (10 marks)
- b) Using relevant examples to illustrate your answer, discuss four main principles of Insurance. (12 marks)
- c) Explain clearly the **duties of an Agent** in an agency. (8 marks)

QUESTION TWO (20 MARKS)

- a) In a contract for sale of goods one of the guiding principles governing the transfer of title is the *Nemo Dat Quod Non Habet Rule (Nemo Dat Rule)*. Explain the meaning and the **exemptions** to this rule (14 marks)
- b) With reference to negotiable Instruments, briefly outline the process of negotiation (6 marks)

QUESTION THREE (20 MARKS)

- a) Jack and Peter are in a partnership where they operate a retail shop in Kisumu city. Peter seeks your advice on his implied authority as a partner in a partnership. Advise him (14 marks)
- b) Discuss the term person with reference to legal personality. (6 marks)

QUESTION FOUR (20 MARKS)

- a) Discuss the various ways that an agency relationship may be created (12 marks)
- b) Discuss implied conditions in a marine Insurance cover. (8 marks)

QUESTION FIVE (20 MARKS)

- a) The marriage Act of Kenya of 2014 describes marriage as a lifetime regular union between the parties. However, there are some circumstances when this may not hold. Under the matrimonial causes Act cap 152, on what grounds may a court of law award a divorce order? (12 marks)
- b) Briefly explain how Nationality in Kenya can be acquired and lost (8 marks)