



MACHAKOS UNIVERSITY

University Examinations for 2021/2022 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: 10/12/2021

TIME: 11.00-1.00 PM

INSTRUCTIONS

Answer Question One and Any Other Two Questions

QUESTION ONE (30 MARKS)

Business Law comprises of a set of laws that govern the operation of businesses in Kenya. These include the sale of Goods Act, The Partnership Act, and Negotiable Instruments among others. These Laws govern the operation of business transaction. The Contracts Act of Kenya Cap 23 on the other hand gives a general framework of contracts and agreements. With this kind of framework, all commercial transactions are properly regulated and thus businesses are required to be conducted within the existing Law. However, there is a general tendency of business malpractices which is mostly as a result of ignorance of the law and also lack of proper reinforcement of the law in Kenya.

- a) Under the Partnership Act of Kenya, discuss the ostensible authority of a partner in a partnership. (10 marks)
- b) State and explain **four** rules governing **the delivery of goods** in a contract for sale under the sale of goods act. (12 marks)
- c) Briefly discuss the **rights** of a Principal 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 *NemoDat Rule*. Explain the meaning and the **exemptions** to this rule. (14 marks)
- b) Discuss performance in a contract for sale of goods (6 marks)

QUESTION THREE (20 MARKS)

- a) Ouma and Wamalwa are in a partnership where they operate a retail shop in Kisumu city. Ouma seeks your advice on his implied authority as a partner. Advise him. (10 marks)
- b) Discuss **three** ways that Domicile may be acquired and lost in Kenya (10 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. (10 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 issue a divorce order? (12 marks)
- b) The Kenyan constitution stipulates several ways that a person can acquire nationality In Kenya. Discuss four ways that nationality may be acquired in Kenya. (8 marks)