



**TECHNICAL UNIVERSITY OF MOMBASA**  
***Faculty of Business & Social Studies***

DEPARTMENT OF BUSINESS STUDIES

DIPLOMA IN PROCUREMENT AND MATERIALS MANAGEMENT  
DIPLOMA IN BUSINESS MANAGEMENT

**BMG 2208: BUSINESS LAW II**

END OF SEMESTER EXAMINATIONS

**SERIES:** APRIL 2015

**TIME:** 2 HOURS

**INSTRUCTIONS:**

- This paper consists of **FIVE** questions.
- Answer question **ONE (Compulsory)** and any other **TWO** questions.
- Do not write on the question paper

***This paper consists of Two printed pages.***

### **QUESTION 1 (Compulsory)**

- a) Define a Contract of Sale of Goods.  
Distinguish between Sale and Agreement to sell. **(15 marks)**
- b) Discuss the provisions of the Limited Partnership Act (Cap. 30) Laws of Kenya relating to formation of limited partnership. Outline the rights and duties of a limited partners. **(15 marks)**

### **QUESTION 2**

- a) Kamau and Kariuki go into a shop. Kamau says to the shopkeeper “Let Kariuki have the goods, and if he does not pay you, I will” would it make my difference in your answer if Kamau said to the shopkeepers “Let Kariuki have the goods, I will see you paid”. **(10 marks)**
- b) Explain the rights and liabilities of a guarantor. **(10 marks)**

### **QUESTION 3**

- a) I) Define and explain the nature of a hire-purchase agreement. **(4 marks)**
- II) How does a hire purchase agreement differ from:
- i) A credit sale agreement and **(4 marks)**
  - ii) A conditional sale agreement. **(4 marks)**
- b) In relation to contracts of insurance distinguish between
- i) Sabrogation and
  - ii) Contribution **(8 marks)**

### **QUESTION 4**

- a) State and discuss the ways in which a partnership may be dissolved. **(10 marks)**
- b) Discuss the ways in which leases can be created and terminated. **(10 marks)**

### **QUESTION 5**

- a) Explain what is meant by transfer of property in goods. What are the rules regarding:
- i) Transfer of property in specific goods.
  - ii) Transfer of property in unascertained and future goods. **(10 marks)**
- b) Enumerate the rights and duties of partner among themselves. **(10 marks)**