



TECHNICAL UNIVERSITY OF MOMBASA
Faculty of Business & Social Studies

DEPARTMENT OF BUSINESS STUDIES

DIPLOMA IN PROCUREMENT AND MATERIALS MANAGEMENT
DIPLOMA IN BUSINESS ADMINISTRATION

BMG 2208: BUSINESS LAW II

SPECIAL/SUPPLEMENTARY EXAMINATIONS

SERIES: FEBRUARY 2015

TIME: 2 HOURS

INSTRUCTIONS:

- This paper consists of **FIVE** questions.
- Answer question **ONE (Compulsory)** and any other **TWO** questions.

This paper consists of Two printed pages.

QUESTION 1 (Compulsory)

- a) Discuss the rights of an unpaid seller in a sale of goods contract. **(10 marks)**
- b) Citing statutory provisions discuss the vital components of a partnership agreement. **(10 marks)**
- c) The essence of insurance is indemnity and the rights of the parties depend on this. Discuss. **(10 marks)**

QUESTION 2

- a) Discuss **FIVE** rules for determining when property passes in a sale of goods contract. **(10 marks)**
- b) Explain the implied warranties in a contract of marine insurance. **(10 marks)**

QUESTION 3

- a) In the law of partnership. What is partnership property? What rights have partners as to the application of the firm's property on dissolution of the firm. **(10 marks)**
- b) Discuss the various circumstances under which a guarantor or surety may be discharged. **(10 marks)**

QUESTION 4

The principle of "Nemo dat quad non habet" applies in the sale of goods. Explain the exceptions to this rule. **(20 marks)**

QUESTION 5

Write short notes of the following:

- a) Leases **(4 marks)**
- b) Limited partnership **(4 marks)**
- c) Subrogation **(4 marks)**
- d) CIF contract **(4 marks)**
- e) Credit sale **(4 marks)**