

Technical university of Mombasa

School of Business Studies

Bachelor of Business Administration / Bachelor Of Commerce Year 2

Semester 2

Business law 2

Question 1

- a) Mwangi and Odongo intend to start a partnership as motor vehicle spare dealers. They have approached to guide them on the matter. Advise them on formation of a partnership and draft for them a partnership deed covering the requisite terms. (14 marks)
- b) Distinguish a contract of guarantee from that of indemnity (6marks)
- c) Discuss the liability of a guarantor in a contract of guarantee (10 marks)

QUESTION TWO

- a) Explain the meaning, importance and exceptions of the principle of caveat emptor (10 marks)
- b) What do you understand by the terms transfer of property and transfer of title. What is the interrelation between the two terms (10 marks)

QUESTION THREE

- a) Explain the rule of nemo dat quod non habet (no one can pass a better title than he himself possesses) and the various exceptions to the rule (14marks)
- b) Explain the essential ingredients of a partnership (6 marks)

QUESTION FOUR

- a) Define a contract of hire purchase and succinctly explain its characteristics (10 marks)
- b) Distinguish a sale and an agreement to sell (10 marks)

QUESTION FIVE

- a) Explain the circumstances under which a hire purchase agreement can be terminated (10 marks)

b) Explain why a contract of insurance is called a contract of indemnity (10 marks)