



# TECHNICAL UNIVERSITY OF MOMBASA

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## SCHOOL OF BUSINESS

### DEPARTMENT OF BUSINESS ADMINISTRATION

#### UNIVERSITY EXAMINATION FOR:

#### DIPLOMA IN PROCUREMENT AND MATERIALS MANAGEMENT

#### DIPLOMA IN BUSINESS MANAGEMENT

#### BMG2211: BUSINESS LAW II

#### END OF SEMESTER EXAMINATION

**SERIES: DECEMBER 2016**

**TIME: 2 HOURS**

**DATE: DECEMBER 2016**

#### Instructions to Candidates

You should have the following for this examination

-Answer Booklet, examination pass and student ID

This paper consists of **FIVE** Question(s). Attempt question ONE (Compulsory) and any other TWO questions.

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#### SECTION A

#### QUESTION 1 (Compulsory)

- (a) Define a contract of Sale of Goods. Distinguish between Sale and Agreement to sale (10 marks)
- (b) Explain the implied provisions of Arbitration agreement. (10 marks)
- (c) State under what circumstances a guarantor can be discharged. (10 marks)

#### SECTION B

#### QUESTION 2

- (a) Define partnership. What are the main distinctions between partnership and a limited company under Kenya law? (10 marks)
- (b) Explain the requirements of a hire- purchase agreements. (10 marks)

### **QUESTION 3**

- (a) What do you understand by a discharge of a bill under the law of negotiable instruments? Under what circumstances is a bill said to be discharged? (10 marks)
- (b) State and explain the rights of unpaid seller. (10 marks)

### **QUESTION 4**

- (a) Explain the objects of bankruptcy and state the ground under which one may be adjudged bankrupt. (10 marks)
- (b) Define “bailment” and state the general duties of a bailee and bailor (10 marks)

### **QUESTION 5**

The general rule relating to transfer of title in a sale is that “the seller cannot transfer to the buyer a better title than he himself has. List and explain the exceptions to the rule ‘nemo dat quod non habet’ in relation to contract for sale of goods (20 marks)