



TECHNICAL UNIVERSITY OF MOMBASA

SCHOOL OF BUSINESS

DEPARTMENT OF BUSINESS ADMINISTRATION

UNIVERSITY EXAMINATION FOR THE:

DIPLOMA IN SALES AND MARKETING

UNIT CODE BMG2208: UNIT NAME COMMERCIAL LAW II

END OF SEMESTER EXAMINATION

SERIES: AUGUST 2019

TIME: 2 HOURS

DATE: Pick Date **AUGUST 2019**

Instructions to Candidates

You should have the following for this examination

-Answer Booklet, examination pass and student ID

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

Do not write on the question paper.

SECTION A (Answer all the questions)

30 POINTS

QUESTION ONE

- (a) The manager of Urafiki Cleaners Agency wants to take a loan for the expansion of their business from a commercial bank. The bank manager has asked him to provide a guarantee for the loan. He wants you to advise him on guarantee as a form of security. Explain to him **five** advantages of guarantee as security. (10 marks)
- (b) Contracts of insurance are regulated by law. Describe the elements of a contract of insurance. (10 marks)
- (c) Explain **five** advantages of legislation as a source of law. (10 marks)

SECTION B (Answer only TWO questions)

QUESTION TWO

- (a) Peter is intending to rent his office building to Alibhai but is not sure of his duties as a tenant. Explain to him the duties of a landlord. (10 marks)
- (b) Contracts of insurance are regulated by law. Outline **five** principles of insurance. (10 marks)

QUESTION THREE

- (a) Briefly explain how the price may be determined in a sale of goods contract. (10 marks)
- (b) Describe the elements of a contract of insurance. (10 marks)

QUESTION FOUR

- (a) (i) Outline the types of indemnity contracts. (2 marks)
- (ii) Explain **four** types of guarantees. (8 marks)
- (b) Explain the requirements for valid presentation of a bill for payment. (10 marks)

QUESTION FIVE

- (a) Explain **five** advantages of commercial arbitration compared to court processes. (10 marks)
- (b) Explain **five** advantages of delegated legislation. (10 marks)

THE END