



TECHNICAL UNIVERSITY OF MOMBASA

SCHOOL OF BUSINESS

DEPARTMENT OF BUSINESS ADMINISTRATION

UNIVERSITY EXAMINATION FOR:

DEGREE IN BACHELOR OF BUSINESS ADMINISTRATION, BACHELOR OF
COMMERCE

BMG: 4301: BUSINESS LAW II

END OF SEMESTER EXAMINATION

SERIES: AUGUST2019

TIME: 2HOURS

DATE: Pick Date Aug2019

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.

QUESTION ONE

- a) Rehema asked Mercy; a pharmacist, to prescribe for her some weight reducing tablets. Mercy recommended "MM2" which is a new product. Mercy informed Rehema that "MM2" will add vitality and take off the surplus weight at the same time. Rehema accordingly bought the tablets and consumed in the manner prescribed but instead she gained weight other than losing. Critically, advice Rehema on her possible remedies in Law (10 Marks)
- b) Discuss **FOUR** grounds that would justify a buyer to refuse delivery of goods under the sale of goods contract. (10 Marks)
- c) Describe the methods through which partnership can be formed. (5 Marks)
- d) Discuss the rules of ascertaining partnership property. (5 Marks)

QUESTION TWO:

- a) Citing relevant provisions of the law explain the implied conditions imposed by the sale of Goods Act, Chapter 31 Laws of Kenya. (10 Marks).
- b) Guided by the Hire Purchase Act, explain the nature of hire purchase and the protection accorded to a hirer by the law (10 Marks)

QUESTION THREE:

Explain the rights of

- (a) a guarantor against the principal debtor. (5 Marks)
- (b) a Lessor against a Lessee (5 Marks)
- (c) a partner against third parties (5 Marks)
- (d) an unpaid seller against a buyer (5 Marks)

QUESTION FOUR:

- (a) Define the term contracts of utmost good faith (4 Marks)
- (b) Citing relevant cases discuss the basic requirement of an insurance contract (16 Marks)

QUESTION FIVE:

- (a) Discuss the legal foundation of property law in Kenya (10 Marks)
- (b) Distinguish between the duties of a guarantor and an indemnifier (10 Marks)