



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: AUGUST 2019

TIME: 2 HOURS

DATE: Pick Date Aug 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.

Question ONE

- a) Through hire purchase Rita acquired Five sofa sets from Tudor Enterprises at the cost of Ksh. 125,000/=. It was an express term that the hire purchase price was to be paid by a deposit of Ksh. 25,000/= and thereafter monthly installments of Ksh. 10,000/= for ten months. Before Rita finalized the payment of the hire purchase price he sold three of the sofa sets to Mary at a price of Ksh. 56,000/=. Aided with relevant provisions of the law and case law, critically advice Rita, Tudor Enterprise and Mary on their respective rights and remedies in the above transaction (10 Marks).
- a) Explain the law relating to delivery of goods as provided for under the sales of goods Act, chapter 31 Laws of Kenya (10 Marks).
- b) Discuss how partnership property is distributed upon dissolution of partnership (5 Marks).
- c) Distinguish between a sale and an agreement to sell (5 Marks)

Question TWO

- a) Explain the implied terms in every contract of Hire purchase (10 Marks)
- b) Discuss the rights and remedies of a guarantor as provided under the common law (10 Marks).

Question THREE

- a) Distinguish between a condition and a warranty and further state their legal effects (6 Marks)
- b) Guided by relevant provisions of the law explain the duties of a bailee upon failure to complete a hire purchase agreement (14 Marks)

Question FOUR

- a) Citing relevant provisions of the law, discuss the law relating to dissolution of partnership (10 Marks)
- b) What remedies are available for a purchaser for non delivery of goods (10 Marks)

Question FIVE

- a) Explain the legal regime regulating insurance contracts in Kenya (12 Marks)
- b) Citing relevant provisions of the constitution of Kenya 2010 discuss the law relating to land holding by foreigners in Kenya (8 Marks)