



THE MOMBASA POLYTECHNIC UNIVERSITY COLLEGE

(A Constituent College of JKUAT)

(A Centre of Excellence)

Faculty of Business & Social Studies

DEPARTMENT OF BUSINESS STUDIES

**UNIVERSITY EXAMINATION FOR BACHELOR OF BUSINESS
ADMINISTRATION**

HBC 2243: BUSINESS LAW II

END OF SEMESTER EXAMINATION

SERIES: DECEMBER 2012

TIME ALLOWED: 2 HOURS

INSTRUCTIONS TO CANDIDATES:

Answer question **ONE (COMPULSORY)** and any other **TWO** questions
This paper consists of **TWO** printed pages

Question One

- a) Duncan entered into an agreement with Majanja to sell to Majanja an Iphone. The price was however not fixed as-between the parties. Majanja made it clear that he needed the Iphone in order to record his brother's graduation ceremony on 16th November 2012. Majanja agreed to pay as soon as the price was fixed. On 15th 2012 Duncan tried to reach Majanja to inform him of the price but Majanja could not be reached on his cell phone. Duncan decided not to deliver the Iphone and as such Majanja was unable to record his brother's graduation.

Discuss the status of the agreement bringing out **FIVE** legal issues involved.

(20 marks)

b) Briefly explain **FOUR** remedies of an unpaid seller of goods. **(10 marks)**

Question Two

a) Citing relevant provisions of the Partnership Act, 2012 explain the rules for identifying partnership property. **(10 marks)**

b) Explain **FIVE** implied conditions in a lease on part of the lessor as provided by the Land Act, Number 6 of 2012. **(10 marks)**

Question Three

a) Explain briefly **FIVE** rights of a guarantor against the creditor. **(15 marks)**

b) What is subrogation in the Law of Insurance? **(5 marks)**

Question Four

a) Discuss **FIVE** obligations of a common carrier. **(15 marks)**

b) State **FIVE** distinctions between a contract of guarantee and indemnity. **(5 marks)**

Question Five

a) What is hire purchase? **(2 marks)**

b) Explain **SIX** consequences of non registration of a hire purchase agreement. **(18 marks)**