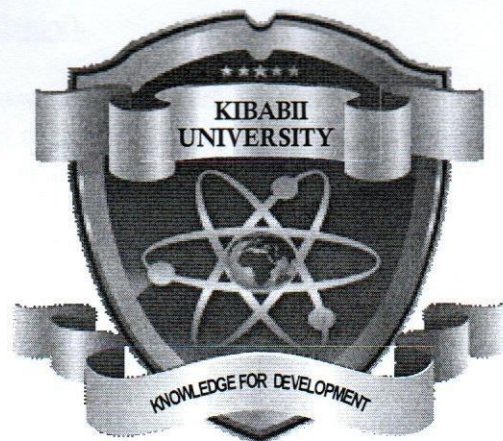


KIBABII UNIVERSITY



UNIVERSITY EXAMINATIONS

2020/2021 ACADEMIC YEAR
SECOND YEAR SECOND SEMESTER
MAIN EXAMINATION

FOR THE DEGREE OF BACHELOR OF COMMERCE

COURSE CODE : BCO 223

COURSE TITLE : BUSINESS LAW II

DATE: 17/5/2021

TIME: 2.00PM-5.00PM

INSTRUCTIONS TO CANDIDATES

Answer Question One in Section A and Any other TWO (2) Questions in Section B

TIME: 2 HOURS

KIBUCO observes ZERO tolerance to examination cheating

This Paper Consists of 2 Printed Pages. Please Turn Over. ►

SECTION A

QUESTION ONE (Compulsory).

- (a) In relation to the law of Insurance, identify and briefly explain two principles of insurance that support the main principle of subrogation. **(4 Marks).**
- (b) Describe three conditions necessary for a valid ratification in the law of agency. **(6 Marks).**
- (c) James Wafula purchased a radio from Eldoret Retail Traders Ltd. On Hire Purchase terms. The Purchase price was Kshs 45,000. He paid a down payment of Kshs 5,000 and the balance was to be paid in monthly installments of Kshs 5,000. James Wafula defaulted after consistently paying the required installments for a period of six months. Eldoret Retail Traders Ltd. repossessed the radio. James Wafula feels aggrieved and seeks your advice.

Required.

Analyse the legal principles applicable in the above case and advise James Wafula.

- (8 Marks).**
- (d) In relation to the law governing negotiable instruments, explain three types of endorsements that might be made on a bill of exchange. **(6 Marks).**
- (e) Highlight and briefly describe three types of interests in land created by the law of property. **(6 Marks).**

SECTION B.

QUESTION TWO.

In relation to the law of bankruptcy, explain:

- (a) Who can be adjudged Bankrupt? - **(4 Marks).**
- (b) Acts of Bankruptcy. - **(4 Marks).**
- (c) Procedure in Bankruptcy. - **(12 Marks).**

QUESTION THREE.

- (a) Discuss the circumstances under which the court might order dissolution of Partnership. **(8 Marks).**
- (b) What is Partnership property? Explain the rights of partners as to the application of the firm's property on the dissolution of the partnership firm. **(12 Marks).**

QUESTION FOUR.

Write short notes on the following.

- (a) Agency by estoppel. - **(5 Marks)**
- (b) Doctrine of 'Caveat Emptor' in the Sale of Goods Contract. - **(5 Marks).**
- (c) Principle of Proximate Cause. - **(5 Marks).**
- (d) Noting and Protesting of a bill of exchange. - **(5 Marks).**

QUESTION FIVE.

- (a) In relation to the law on Common carriers, state briefly the meaning of Contract of affreightment, forms and the conditions implied therein. - **(10 Marks).**
- (b) In the contract of sale of goods:
- (i) Outline four remedies of the unpaid seller. - **(5 Marks).**
 - (ii) Explain three ways in which a buyer is deemed to have accepted goods. **(5 Marks).**