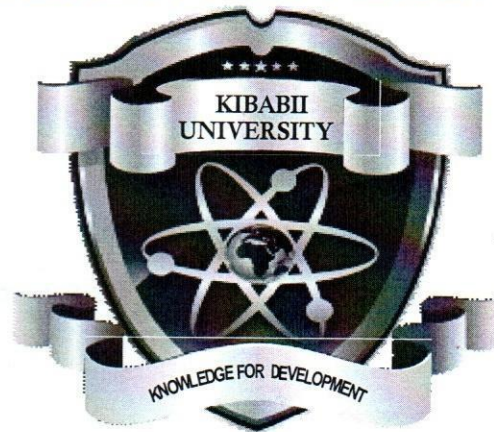


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KIBABII UNIVERSITY



UNIVERSITY EXAMINATIONS

MAIN EXAMINATION

2020/2021 ACADEMIC YEAR

SECOND YEAR SECOND SEMESTER

FOR THE DEGREE OF BACHELOR OF BUSINESS
MANAGEMENT

COURSE CODE: BBM 223

COURSE TITLE: BUSINESS LAW II

DATE: 06/10/2021

TIME: 2.00 - 4.00PM

INSTRUCTIONS

- 1) Answer Question **ONE**(Compulsory) and **ANY OTHER TWO** Questions
- 2) Candidates must hand in their answer booklets to the invigilator while in the examination room
- 3) Credit is given for legibility, clarity and use of relevant examples
- 4) Question **ONE** is **30 marks** while Questions **2-5** carry **20 marks** each
- 5) Clearly write your **Registration Number** on each answer sheet used

TIME: 2 Hours

KIBU observes **ZERO** tolerance to examination cheating

SECTION A

QUESTION ONE (Compulsory).

- i. Mutiso had sold his car to Karanja for Sh. 1,400,000 and the car was to be delivered within four days. After two days Smith offers Mutiso Sh. 1,600,000 for the car which Mutiso accepts. Smith takes immediate delivery of the car. Smith was not aware of the previous sale to Karanja. Advise Karanja of his legal if any against (i) Mutiso, and (ii) Smith. (10 Marks)
- ii. Explain what are implied conditions and warranties in contract of sale (5 Marks)
- iii. Explain the doctrine of caveat emptor (5 Marks)
- iv. Explain the rights of sellers and buyers as provided for by the Act (10 Marks)

SECTION B.

QUESTION TWO

- i. There was a contract of sale by sample of seeds described as 'common English sainfion'. The contract contained a term excluding all warranties express or implied. The seed was sown and when the crop was ready it was discovered that the seed supplied and the sample shown were a different and inferior variety known as 'gaint sanfion'. In the above case give your considered verdict as an expert in the sale of goods the legal remedies available to the infringed party. (10 Marks)
- ii. Briefly discuss any Five grounds that would justify a buyer to refuse delivery of goods under sale of goods agreement. (10 Marks)

QUESTION THREE

- i. What do you understand by delivery of goods under the Sale of Goods Act, Cap. 31 of the law of Kenya? (10 Marks)
- ii. List and explain the remedies for breach of a contract of sale of goods. (10 Marks)

QUESTION FOUR

- i. Explain the termination of hire purchase agreement (4 Marks)
- ii. Discuss four ways to which a contract of sale of goods can be terminated legally (8Marks)
- iii. Explain the essentials of a valid contract (8 Marks)