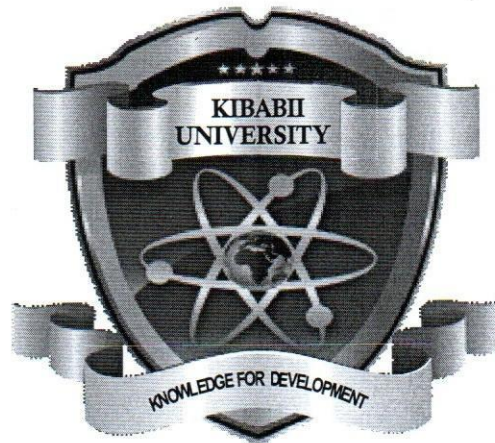


KIBABII UNIVERSITY



UNIVERSITY EXAMINATIONS 2021/2022 ACADEMIC YEAR SECOND YEAR SECOND SEMESTER

MAIN EXAMINATION

FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT

COURSE CODE: BBM 223

COURSE TITLE: BUSINESS LAW II

DATE: 9/05/2022

TIME: 9.00AM – 11.00AM

INSTRUCTION TO CANDIDATES

- 1) The paper contains **FIVE** questions
- 2) Attempt **THREE** questions
- 3) Question **ONE** is Compulsory

KIBU observes **ZERO** tolerance to examination cheating

QUESTION ONE

a) Read the following court extract and answer questions a) i, ii, and iii
PRAYER v BLATSPIEL STAMP & HEACOCK LTD (1924)

In 1915 and 1916 S., as agents for P., bought skins to the value of 1900 to be dispatched to P, a fur merchant in Bucharest. P paid for the skins. Owing to the occupation of Rumania by the German forces it was impossible to send the skins to P or to communicate with him. In 1917 and 1918, S sold the skins which had increased in value.

Held

S was liable in damages to P.

- (i) Identify and define the principal, agent and third party to the exhibit above. (6 MARKS)
- (ii) Discuss the decision of the courts held (4 MARKS)
- (iii) Mention two duties of the principal (2 MARKS)
- b) Briefly comment on the law on selling or buying of stolen goods. (4 MARKS)
- c) What is a negotiable instrument? Explain one example (3 MARKS)
- d) What is the meaning of carriage of goods? Is carriage a liability? Explain. (6 MARKS)
- e) Explain two ways one can have rights over the land of another (5 MARKS)

QUESTION TWO

- a) Article IV Rule 2 provides that neither the carrier nor the ship shall be responsible for loss or damage of goods.
Discuss conditions under which this law is applicable. (15 MARKS)
- b) Explain how agency relationship may come to an end (5 MARKS)

QUESTION THREE

Make short notes on:

- Bailment (5 MARKS)
- Pledges (5 MARKS)
- Lien (5 MARKS)
- Guarantee (5 MARKS)

QUESTION FOUR

- a) Explain the distinction between a Hire Purchase agreement and sale of goods. (10 MARKS)
- b) Explain the following as used in Hire purchase. (10 MARKS)
 - (i) Legal ownership

- (ii) Quiet possession
- (iii) Right to sell
- (iv) Merchantability

QUESTION FIVE

Discuss the provisions of the Partnership Act on the following:

- (i) Formation
- (ii) Capacity
- (iii) Statutory provisions
- (iv) Dissolution of partnership.

(5 MARKS)

(5 MARKS)

(5 MARKS)

(5 MARKS)