

1823

KIBABII UNIVERSITY



UNIVERSITY EXAMINATIONS

2022/2023 ACADEMIC YEAR
FIRST YEAR SECOND SEMESTER
MAIN EXAMINATION
FOR THE DEGREE OF BACHELOR OF COMMERCE
COURSE CODE: BCO 223
COURSE TITLE: BUSINESS LAW II.

DATE: 13/04/2023

TIME: 9:00-11:00 AM

INSTRUCTIONS TO CANDIDATES

- 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: 30MKS- ANSWER ALL QUESTIONS:

(a) 1. (a). Define law and briefly discuss the essential elements of law. (5marks.)

(b). In RE, CARLILI V CARBOLIC SMOKE BALL CO . 1893, the defendants offered a reward of shs. 10,0000 to anyone who contracted influenza after using their smoke ball for a fortnight. The plaintiff relying on the advertisement, bought the smoke ball and used it as prescribed, they still contracted influenza. She sued for the advertised reward. As a judge to that case, and basing to the legal rules as to offer in a contract of law, determine the judgement to the case and support your answer.

(5marks.)

(c). Elaborate on the legal rules regarding a valid offer in the law of contract. (5mks)

(d). Give a description of the essential characteristics of a negotiable instrument. (5mks)

(e). Explain the conditions under which a person can act as an agent of necessity in the law of agency. (5mks)

(f). Define a contract for the sale of goods and explain the essential characteristics of a contract of sale of goods. (5marks).

SECTION B: ANSWER ANY TWO QUESTIONS (40MKS):

2. (a). State and discuss the ways in which a partnership may be dissolved as highlighted by the partnership act. (10mks)

(b). Explain the rights of an agent as stipulated in the law of agency. (10mks)

3. (a). Explain the requirements of the Hire Purchase Agreement under the provisions of section 6 of the Act. (10mks)

(b). Define a common carrier and explain the duties of a common carrier as highlighted in contract of carriage. (10mks)

4. (a) List and explain the works eligible for the copyrights under the copyright Act. (10mks)

(b). State and explain the essentials of an insurance. (10mks)

5. (a). Explain in relation to bills of exchange what is meant by the following:-

(i). a holder in due course

(ii). A blank endorsement

(iii). A bearer bill.

(iv). Noting. (8mks)

(b). Juma feels that the maxim "NEMO DAT QUAD NON HABET," has been watered down by many exceptions to the same. As Juma feels the maxim should be struck off the law. Discuss this argument highlighting on the rule and the exceptions concerning this maxim. (12mks)