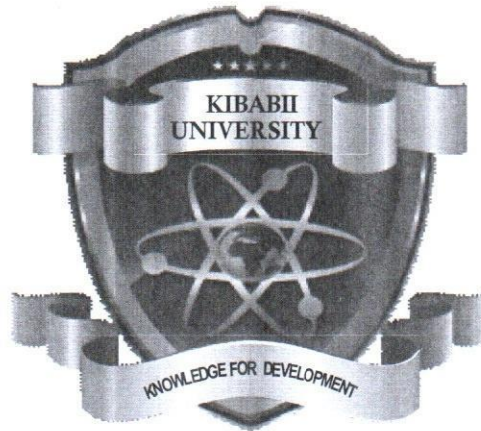


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KIBABII UNIVERSITY



UNIVERSITY EXAMINATIONS

MAIN EXAMS

2022/2023 ACADEMIC YEAR

THIRD YEAR SECOND SEMESTER

FOR THE DEGREE OF BACHELOR OF COMMERCE

COURSE CODE: BCB227/BBM223

COURSE TITLE: BUSINESS LAW II

DATE: 13/04/2023

TIME: 9:00-11:00AM

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

QUESTIONS : SECTION A

QUESTION ONE

- a) Explain any ten various duties of an agent (5 Marks)
 - b) Explain circumstances under which agency can be terminated by operation of the Law. (10 Marks)
 - c) Discuss the doctrine of caveat emptor (10 Marks)
 - d) Explain the rights of sellers and buyers as provided for by the Act (5 Marks)
- (30 marks)**

QUESTIONS : SECTION B

QUESTION TWO

- a) Describe the various types of contracts (10 Marks)
 - b) Discuss the vitiating elements of a contract (10 marks)
- (20 Marks)**

QUESTION THREE

- a) Explain the essentials of a valid contract (10 marks)
- b) Explain the rights and duties of agents and principals (5 marks)
- c) Explain the various ways in which agents are created (5Marks) **(20 marks)**

QUESTION FOUR

- a) Discuss methods in which agency is classified (12 marks)
- b) Explain the following ways in which agency is formed
 - i. By Express Agreement (2 marks)
 - ii. By Implied Agreement.(2marks)
 - iii. By Necessity.(2 marks)
 - iv. By Ratification. (2 marks)

QUESTION FIVE

- a) Under the following circumstances of L as business law student, give your advice.
The managing director of company, purporting to act as agent on company's behalf, but without its authority, accept an office made by L, the defendant, for the purchase of some sugar works belonging to them L, subsequently withdrew the office but the company ratified the managing director's acceptance (10 Marks)
- b) Agency can be formed by ratification. Explain essential of valid ratification. (10 marks)

(20 marks)