

LAIKIPIA



UNIVERSITY

# UNIVERSITY EXAMINATIONS

2<sup>ND</sup> SEMESTER 2023/2024 ACADEMIC YEAR

**THIRD YEAR EXAMINATION FOR THE DEGREE OF  
BACHELOR OF COMMERCE**

**BCOM 322: BUSINESS LAW II**

***STREAM:***

***TIME: 2 HRS***

***DAY: THURSDAY [8.30-10.30 A.M] DATE: 11/04/2024***

**THIS QUESTION PAPER CONSISTS OF THREE (3) PAGES**

**PLEASE DO NOT OPEN UNTIL THE INVIGILATOR SAYS SO.**



**INSTRUCTION:** Answer Question **ONE** and any other **TWO** Questions

**QUESTION ONE**

- a) Explain the instances that determine the duty and authority of a banker to pay a cheque drawn to him by a customer **(10mks)**
  
- b) Explain the provisions of the hire purchase Act on termination of the hire purchase agreement **(10mks)**
  
- a) Highlight and discuss the facts that a party to Arbitration should furnish the court with for recourse against arbitral awards **(10mks)**

**QUESTION TWO**

- a) Discuss the conditions that must be satisfied for agency by Necessity to arise. Use relevant examples **(10mks)**
  
- b) In relation to the law and insurance, list and explain FIVE important principles of insurance. Support you answers with relevant examples **(10mks)**

**QUESTION THREE**

- a) In 2022 Mwangi, Atieno and Kibet formed an engineering partnership. Last year Mwangi sold his share in the partnership to the other members. Mwangi has now found out that prior to the sale, the other partners had entered into a very valuable contract without informing him. The future profits from that contract should have ensured that the value of his share in the partnership was considerably more than the price he actually received.

Also last year Atieno bought some land and later sold it to the partnership without revealing that he was the true owner of the land. He made a personal profit of Kshs. 50,000.

Analyze the above situation from the point of view of the duties owed between partners and advise the various parties as to any legal action that they may take or that might be taken against them. **(10mks)**

- b) Explain the term "Nemo dat quod non habet" as used in the law of sale of Goods and outline the exceptions to the rule. **(10mks)**



**QUESTION FOUR**

- a) Explain the remedies that are available to the unpaid seller under the contract of sale of goods against the buyer **(10mks)**
  
- b) Explain the trading contracts that a buyer can negotiate with the seller of the seller of goods **(10mks)**

