



# **SOUTH EASTERN KENYA UNIVERSITY**

## **UNIVERSITY EXAMINATIONS 2017/2018**

### **SECOND SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR OF ECONOMICS & STATISTICS**

#### **DBA 302: BUSINESS LAW II**

**DATE: 9<sup>TH</sup> APRIL, 2018**

**TIME: 1.30-3.30PM**

#### **INSTRUCTIONS**

***Answer question one and any other two questions***

#### **QUESTION ONE:**

- a) An artificial person is a separate legal entity: Explain using case law (6 Mks)
- b) Explain six requirements of a hire purchase agreement (6 Mks)
- c) Describe six situations which of themselves do not constitute a partnership (6 Mks)
- d) Explain six exceptions to the maxim, *nemo dat quad no habet*, as regards transfer of title in contracts of sale of goods (6 Mks)
- e) Explain six basic rules of insurance contracts (6 Mks)

#### **QUESTION TWO:**

- A. Discuss four characteristics of a contract of sale of goods (8 Mks)
- B. Discuss the rules for determining when the property in goods passes (6 Mks)
- C. Distinguish the following terms :
  - i) Contract of Sale; and Contract for Work and Material (2 Mks)
  - ii) Hire Purchase Agreement; and Credit Sale Agreement (2 Mks)
  - iii) Unlimited partnership and Limited partnership (2 Mks)

#### **QUESTION THREE:**

- A. Discuss the rights of partners between themselves (8 Mks)
- B. Explain the implied authority of a partner (6 Mks)
- C. Explore circumstances in which a partnership may be dissolved (6 Mks)

#### **QUESTION FOUR:**

- A. Discuss THE implied terms of a hire purchase agreement (10 Mks)
- B. Explain the rights of unpaid seller against the goods (5 Mks)
- C. Explain rules that apply in case of sale by auction (5 Mks)

**QUESTION FIVE:**

- A. Discuss five negotiable instruments stating their legal characteristics and applications  
(10 Mks)
- B. Explain five ways through which negotiable instruments can be discharged  
(10 Mks)