



# MACHAKOS UNIVERSITY

University Examinations for 2019/2020 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

SECOND YEAR FIRST SEMESTER EXAMINATION FOR

DIPLOMA IN BUSINESS MANAGEMENT.

COMMERCIAL AND ADMINISTRATION LAW

DATE: 23/3/2020

TIME:8.30-11.30 AM

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## INSTRUCTIONS:

ANSWER ANY FIVE QUESTION

1. a) Discuss the implied conditions in the sale of goods Act. (10 marks)  
b) Explain five rules on delivery in the sale of goods Act. (10 marks)
2. a) Highlight the exceptions to the doctrine of caveat emptor. (10 marks)  
b) Explain five ways in which a contract for insurance is terminated. (10 marks)
3. a) Discuss the essentials of an insurance contract. (10 marks)  
b) Explain five principles of insurance. (10 marks)
4. a) Distinguish between a contract of guarantee and a contract of indemnity. (10 marks)  
b) Explain how a contract of guarantee can be terminated. (10 marks)
5. a) Explain the rights of a guarantor against a creditor (10 marks)  
b) In relation to the law of bailment explain.
  - i. Two duties of a bailee (4 marks)
  - ii. Three duties of a bailor (6 marks)
7. a) Explain the procedure in bankruptcy. (10 marks)  
b) Highlight the disabilities of undischarged bankrupt. (10 marks)
8. a) Highlight the remedies of an unpaid seller. (10 marks)  
b) Outline the categories of people who have insurable interest. (10 marks)