



MACHAKOS UNIVERSITY

University Examinations for 2018/2019 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

THIRD YEAR SPECIAL/SUPPLEMENTARY EXAMINATION FOR

BACHELOR OF COMMERCE

BBA 302: BUSINESS LAW II

DATE: 23/7/2019

TIME: 8:30 – 10:30 AM

INSTRUCTIONS

Answer question **ONE** (*Compulsory*) and **any other two** questions

Mercantile operations in Kenya are governed by several Acts. These include the sale of Goods Act, The Partnership Act, and Negotiable Instruments among others. These Laws govern the operation of business transaction. The Contracts Act of Kenya Cap 23 on the other hand gives a general framework of contracts and agreements. With this kind of framework, all commercial transactions are properly regulated and thus businesses are required to be conducted within the existing Law. However there is a general tendency of business malpractices which is mostly as a result of ignorance of the law and also lack of proper reinforcement of the law in Kenya.

1.
 - (a) Under the Partnership Act of Kenya, discuss the implied authority of a partner in a partnership (10 marks)
 - (b) State and explain **four** rules governing **the delivery of goods** in a contract for sale of goods in Kenya? (12 marks)
 - (c) Explain clearly the **rights** of an Agent in an agency. (8 marks)

2. (a) In a contract for sale of goods one of the guiding principles governing the transfer of title is the *Nemo Dat Quod Non Habet Rule* (*Nemo Dat Rule*). Explain the meaning and the **exemptions** to this rule (15 marks)
- (b) Discuss the indicators of performance in a contract for sale of goods (5 marks)
3. (a) Ouma and Wamalwa are in a partnership where they operate a retail shop in Kisumu city. Ouma seeks your advice on his rights in a partnership. Advise him (10 marks)
- (b) Discuss ways that Nationality may be acquired and lost in Kenya (10 marks)
4. (a) Discuss the various ways that an agency relationship may be created (12 marks)
- (b) Discuss implied conditions in a marine Insurance cover. (10 marks)
5. (a) The marriage Act of Kenya of 2014 describes marriage as a lifetime regular union between the parties. However, there are some circumstances when this may not hold. Under the matrimonial causes Act cap 152, on what grounds may a court of law declare a marriage Null and Void (12 marks)
- (b) The law requires that every person shall conduct his personal affairs according to his Domicile. In the light of this statement discuss how Domicile can be acquired and lost in Kenya. (8 marks)