



Machakos University

ISO 9001:2015 Certified 

School of Business and Economics

END OF SEMESTER EXAMINATION

Bachelor of Commerce

Third Year Second Semester

BBA 302: Business Law II

Date:

Time: 2 Hours

Instructions:

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

In Kenya there are various legislations which regulate all commercial transactions. These legislations are crucial in giving guidance on how various commercial matters should be handled. This has made business in Kenya to become more structured and more regulated unlike in the past when commercial transactions were left to traditions and this was responsible to inconsistencies. These laws are reviewed periodically to align them with global commercial practices across the world.

1. (a) Under the Law of Agency in Kenya, discuss conditions that a Principal must satisfy before he can ratify a contract. (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) Using relevant examples to illustrate your answer, discuss the rights of a partner in a partnership. (8 marks)
2. (a) Under the Sale goods Act cap 31, it's assumed that the risk in the goods on sale remains with the seller up to some point in the process of selling. Clearly explain the rules that govern the transfer of property in the goods on sale. (15 Marks)

(b) Discuss the indicators of performance in a contract for sale of goods (5 Marks)
3. (a) Briefly discuss the Ostensible authority of a partner in a partnership (10 marks)

(b) Discuss ways that Domicile 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 award a divorce order. (14 marks)

(b) Discuss the process of legitimation according to legitimation Act Cap 143 (6 marks)

