



## **GARISSA UNIVERSITY**

**UNIVERSITY EXAMINATION 2017/2018 ACADEMIC YEAR TWO  
SECOND SEMESTER EXAMINATION**

**SUPPLEMENTARY/SPECIAL EXAMINATION**

**SCHOOL OF BUSINESS AND ECONOMICS**

**FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT**

**COURSE CODE: BBM 215**

**COURSE TITLE: BUSINESS LAW II**

**EXAMINATION DURATION: 3 HOURS**

**DATE: 23/03/18**

**TIME: 2.00-5.00 PM**

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### **INSTRUCTION TO CANDIDATES**

- **The examination has SIX (6) questions**
- **Question ONE (1) is COMPULSORY**
- **Choose any other THREE (3) questions from the remaining FIVE (5) questions**
- **Use sketch diagrams to illustrate your answer whenever necessary**
- **Do not carry mobile phones or any other written materials in examination room**
- **Do not write on this paper**

**This paper consists of THREE (3) printed pages**

***please turn over***



### QUESTION ONE (COMPULSORY)

- (a) Ali is insuring his house against fire. He completes the proposal form and is issued with an insurance policy by the company. Would the insurance company reject a claim made by him later on because of the following reasons? Justify your answer.
- i. He had not disclosed to them that he had been jailed for theft three years ago. [3 marks]
  - ii. He had not disclosed to them that a neighbor's house had recently been destroyed by fire in mysterious circumstances. [3 marks]
- (b) Discuss the exception to the law maxim "**NEMO DAT QUOD NON HABET**". [5 marks]
- (c) For a bill of exchange to be valid, it must contain certain essentials. Briefly describe four such essentials of a bill. [8 marks]
- (d) Explain the works eligible for copyrights under the "Copyright Act". [6 marks]

### QUESTION TWO

- (a) Explain the duties of a hirer to the owner of goods in a contract of hire purchase. [5 marks]
- (b) Discuss the various ways through an agency relationship may be terminated. [10 marks]

### QUESTION THREE

- (a) Under the law of carriage of goods, describe any four rights of a common carrier. [8 marks]
- (b) In the law of negotiable instruments, what is meant by:
- i. Holder in due course [2 marks]
  - ii. Qualified acceptance of a bill [2 marks]
  - iii. Crossed cheque [2 marks]
  - iv. Promissory note [1 mark]

### QUESTION FOUR

- (a) Describe any three examples of intellectual property. [6 marks]
- (b) Discuss the provisions of the Partnership Act (Cap 29) of the laws of Kenya as they relate to dissolution of partnership. [9 marks]



### QUESTION FIVE

- (a) Write short notes on
- i. Restrictive covenants. [2 marks]
  - ii. Chose in possession [2 marks]
  - iii. Chose in Action [2 marks]
- (b) Discuss six basic principles of insurance. [9 marks]

### QUESTION SIX

- (a) Briefly discuss any three rights of the buyer under the law of sale of goods. [6 marks]
- (b) Distinguish between sale and agreement to sell. [3 marks]
- (c) Explain three classifications of goods in view of law of sale of goods. [6 marks]

