



# UNIVERSITY OF NAIROBI

FIRST SEMESTER EXAMINATIONS 2009/2010 (MODULE I)

SECOND YEAR EXAMINATIONS FOR THE DEGREE OF BACHELOR OF LAWS

GPR 205: SALE OF GOODS AND AGENCY

DATE: 26<sup>TH</sup> FEBRUARY, 2010

TIME: 9.00-11A.M.

Instructions: Answer QUESTIONS ONE (1) and TWO (2) and ANY OTHER TWO questions

1. Compare and contrast a Sale of Goods Contract with:
  - a) Barter
  - b) Hire purchase
  - c) Bailment
  - d) Contract for supply of materials and labour[20 marks]
2. With the use of relevant authorities, write on NEMO DAT QUOD NON HABET and the exceptions thereto. [20 marks]
3. Salim and Bakari entered into a contract whereby Bakari agreed to buy 100 bags of 90 kilos each out of Salim's go-down at Wabera Street, Nairobi, which contained 400 bags at the time. This was on 1st January 2010, at 11.00a.m.

[+]

## QUESTION THREE

"It has been asserted that in the development of our law, two principles have been in conflict. The first is for the protection of property and the second, for the protection of commercial transactions. The first principle has held away for a long time, but it has been modified by the common Law itself and by statute so as to meet the needs of our times"

Discuss this assertion in relation to Sale of Goods Law.

## QUESTION FOUR

"Undoubtedly the most important and central feature of Agency relationship in the power of the Agent to affect his Principal's relation with Third Parties. In the vast majority of cases this power flows from what is known as authority - the Principal authorises the agent to do an act and the Agent does it. Sometimes, however, the power arises as a result of the conduct of the principal which creates the appearance of Authority although it does not actually exist.

Critically discuss the above statement.

## QUESTION FIVE

- (a) "An agency agreement may contain terms setting forth the express obligations of an agent to his principal. Subject to such express terms, the agent owes a number of implied duties or obligations to his principal."

Discuss

- (b) Bepari had three cars - Toyota, Peugeot and Datsan. He delivered those cars to Messrs Autorec Limited, Mombasa to sell them on his behalf. Bepari instructed Autorec not to sell the Toyota below Ksh.300,000/=. Autorec sold the Peugeot for Ksh. 400,000/= but paid only Ksh.350,000/= to Bepari. Autorec found the Datsun useful and therefore kept it for themselves and paid Bepari Kshs 300,000/=. For the Toyota, a customer offered Ksh 250,000/= but Autorec lost his contact telephone number and address, hence ultimately the Toyota had to be sold at Ksh.150,000/=. Discuss the legal position of the parties.