

**JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND
TECHNOLOGY**

SCHOOL OF BUSINESS AND ECONOMICS

END OF SEMESTER EXAMS

ABA 208 BUSINESS LAW II

DATE: August 2014

DURATION: 1 HOUR 30 MINS

Answer question 1 and any other two

Q1.

a) The sale of goods Act implies certain terms in every contract for the sale of goods. With the help of decided cases, state and explain the implied terms.

(10 Marks)

b) Discuss the main features of bankruptcy proceedings from commencement to final determination.

(10 Marks)

c)

i. State and explain the rights of the surety under a contract of guarantee?

(5 Marks)

ii. Define the word insurable interest as used in Insurance Law?

(1 Mark)

iii. With the help of illustrations, set out the rules relating to insurable Interest.

(4 Marks)

Q2

a)

- i. Describe the nature of a partnership and state the defining components that are peculiar to such relationship
(5 marks)
- ii. State and explain the requisites of a valid endorsement.
(5 Marks)

- b) Where goods are sold by a person who is not the owner thereof and who does not sell them with the consent or authority of the owner, the buyer acquires no better title to the goods than the seller had.” section 23 of the Sale of Goods Act. Discuss.
(10 Marks)

Q3

- a) Juma entered into a hire purchase agreement with Wakenya Retail Traders. The subject matter of the contract was a freezer. The Hire purchase price for the said freezer was Kshs. 120,000 to be paid in 12 instalments. Juma after paying Kshs. 80,000 changed his address without informing Wakenya Retail Traders. Wakenya Retail traders after employing the services of a private investigator, found his house and recovered possession of the freezer.

Advise Onyango on

- i) The nature of a Hire Purchase contract (1 mark)
 - ii) Requirements as to Hire Purchase Agreements
(6 marks)
 - iii) Recovery of possession with special reference to the rights of Wakenya Retail Traders in regard to repossession of the refrigerator.
(3 marks)
- b) State and Explain the circumstances under which a banker MUST dishonour a cheque
(10 marks)

Q4.

- a)
 - i. State and explain the remedies available to an unpaid seller in a contract for the sale of goods
(5 marks)
 - ii. State and explain the circumstances under which a partnership may be dissolved voluntarily
(5 marks)

- b)
 - i. Define the word “Bill of Exchange”
 - ii. Discuss the essentials of a bill?
 - iii. Outline the way in which a bill of exchange may be discharged

(10 marks)

Q5 Write Short notes on the following

- a) Adjudication order
- b) Nemo dat quad non habet.
- c) Limited Partnerships
- d) Presumptions as to negotiable instruments

(20 marks)

