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**University Examinations 2014/2015**

SECOND YEAR, SECOND SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR OF SCIENCE IN BUSINESS INFORMATION TECHNOLOGY

**HBT 2203: COMMERCIAL LAW**

**DATE: DECEMBER 2014 TIME: 2 HOURS**

**INSTRUCTIONS:** *Answer question* ***one*** *and any other* ***two*** *questions*

**QUESTION ONE**

1. Boots company had a self-service store in which certain drugs were displayed on the shelves (pharmaceutical society of Great Britain V. Boots (1953). They sold some drugs without the supervision of a registered pharmacist at the shops shelves as required by law. The customer paid for drugs at the cash desk near the exit not near the shelves. Defendants were charged with offence of selling listed drugs without supervision of registered pharmacist.

**Required:**

1. Advance reasons that this was not an offer when the customer picked drugs at the shelves (6 marks)
2. Differentiate the offer and “invitation to treat”. (10 marks)
3. Explain the duties of partners (8 marks)
4. Define the term ‘source of law’ and explain two main sources of law (12 marks)

**QUESTION TWO**

1. Discuss four(4) ways that may bring a contract to an end (10 marks)
2. Explain the methods of dissolution of an agency (10 marks)

**QUESTION THREE**

1. Discuss the following general defences in law of tort (10 marks)
2. Explain three vitiating elements or factors and how they affect a valid contract

(10 marks)

**QUESTION FOUR**

1. Discuss the limitations of application of African customary law as a source of law in Kenya (10 marks)
2. Explain the characteristics of negotiable instruments (10 marks)

**QUESTION FIVE**

1. Discuss the following terms
2. Contracts uberrimae fidei (5 marks)
3. Islamic law (10 marks)
4. Vicarious liability (5 marks)