



## MERU UNIVERSITY COLLEGE OF SCIENCE & TECHNOLOGY

P.O. Box 972-60200 Meru - Kenya. Tel: 020-2092048, 020 2069349  
Fax: 020-8027449

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### University Examinations 2011/2012

THIRD YEAR, SECOND SEMESTER EXAMINATIONS FOR THE DEGREE OF  
BACHELOR OF COMMERCE AND YEAR TWO, SEMESTER TWO, BACHELOR OF  
PURCHASING AND SUPPLIES MANAGEMENT

#### HBC 2243/HPS 2303: BUSINESS LAW II

**DATE: APRIL 2012**

**TIME: 2 HOURS**

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

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#### QUESTION ONE (30 MARKS)

- Discuss the rules determining the existence of a partnership (8 Marks)
- Discuss with examples transactions that look similar to the sale of goods contract but are not a sale of goods contract (10 Marks)
- State and explain the circumstances under which a court can dissolve a partnership (6 Marks)
- Explain the rules relating to transfer of property in goods from the seller to the buyer under a contract of sale of goods (6 Marks)

#### QUESTION TWO (20 MARKS)

- Discuss the purpose and requirements of making of hire purchase agreement (10 Marks)
- Explain briefly the statutory requirements as to the making of contract of guarantee relating to commercial securities. (10 Marks)

#### QUESTION THREE (20 MARKS)

- A contract of insurance is a contract of the "utmost good faith". Discuss this statement. (10 Marks)
- State and explain the duties of both the owner and the hirer in a hire purchase agreement (10 Marks)

#### QUESTION FOUR (20 MARKS)

- In relation to contracts of insurance distinguish between:

- i. Subrogation and doctrine of contribution (12 Marks)
- b. Distinguish between a condition and a warranty (8 Marks)

**QUESTION FIVE (20 MARKS)**

- a. Discuss the various ways in which an insurance contract may be discharged (12 Marks)
- b. Explain the meaning of the doctrine of a caveat emptor and outline four exceptions to this doctrine (8 Marks)