



MASENO UNIVERSITY
UNIVERSITY EXAMINATIONS 2016/2017

**SECOND YEAR SECOND SEMESTER EXAMINATION FOR
THE DEGREE OF BACHELOR OF BUSINESS ADMINISTRATION
WITH INFORMATION TECHNOLOGY**

MAIN CAMPUS

ABA 208: BUSINESS LAW II

Date: 14th June, 2017

Time: 12.00 - 3.00pm

INSTRUCTIONS:

- Answer Question ONE and any THREE



1(a) Give comprehensive definition of partnership and its essential characteristics. (15 marks)

1(b) "Kumar and Rajesh are joint owners of a house. They let out the house on monthly rent of Kshs. 20,000/= and share the income from the rent equally". Explain in details if both Kumar and Rajesh are partners. (5 marks)

1(c) Explain the important facts which help in determining the existence of a partnership firm. (5 marks)

2(a) Explain the meaning of the contract of sale of goods. (5 marks)

2(b) Describe in details the essential characteristics of a contract of sale of goods. (10 marks)

3(a) Discuss the various ways in which a party may be discharged from liability under negotiable instrument. (10 marks)

3(b) A bill is endorsed by John Anderson or "order". Some other person of the same name gets it and presents it for payment. The acceptor makes payment". Explain if the acceptor is discharged. (5 marks)

4(a) Discuss the conditions which the creditors have to satisfy before they can be entitled to petition for the adjudication of a debtor as bankrupt. (10 marks)

4(b) "Raymond and Bernard jointly owe a debt of Kshs. 1,000,000/= to William. Raymond, being in financial difficulties, transfers all his properties to James for the general benefit of his creditors". Can this be taken as an act of bankruptcy on the part of Bernard also? Explain. (5 marks)

a) Explain the conditions which are required for the application of the doctrine of contribution in a contract of insurance. (10 marks)

b) X got his ship insured against losses due to collision. The ship was carrying eatables. On account of collision the ship was delayed and the eatables were spoiled. Explain if the insurer is liable for this loss to X. (5 marks)

a) Owadgi Opielo and Okew Kamollo are partners. Owadgi Opielo commits an act of bankruptcy and afterwards endorses in the name of the firm a bill belonging to the partnership. Thereafter Owadgi Opielo is adjudged bankrupt. Explain if the indorsee acquires a good title to the bill. (5 marks)

(b) Musa Mohamed sold a new Subaru car to Rama Salim. On delivery Rama Salim found that it was not a new car. Explain the remedy if available to Rama Salim against Musa Mohamed. (5 marks)

(c) A sells a radio to M, a minor, who pays for it by cheque. A indorses the cheque to B who takes it in good faith and for value. The cheque is dishonoured on presentation. Explain if B can enforce payment of the cheque against A or M. (5 marks)