

**MERU UNIVERSITY OF SCIENCE AND TECHNOLOGY**

**P.O. Box 972-60200 – Meru-Kenya.**

**Tel: 020-2069349, 061-2309217. 064-30320 Cell phone: +254 712524293, +254 789151411**

**Fax: 064-30321**

**Website:** [**www.must.ac.ke**](http://www.must.ac.ke) **Email:** [**info@must.ac.ke**](mailto:info@must.ac.ke)

**University Examinations 2014/2015**

THIRD YEAR SECOND SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR OF COMMERCE

**BFB 3452: BUSINESS LAW II**

**DATE: AUGUST 2015 TIME: 2HOURS**

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

**QUESTION ONE (30 MARKS)**

1. With decided cases discuss the differences between an offer and “invitation to treat”. (10 Marks)
2. Explain the conditions and warranties in sale of goods (8 Marks)
3. Discuss the information that the procuring entity must prepare for an invitation to tender (6 Marks)
4. Explain the pertinent points regarding ownership and licensing of a patent (3 Marks)
5. Discuss the three sources of arbitrators power (3 Marks)

**QUESTION TWO (20 MARKS)**

1. Explain the decisions or agreements that are regarded as restrictive trade practices in accordance with competition Act Cap 504 (10 Marks)
2. Discuss the effects of illegality in a contract and the exceptions (10 Marks)

**QUESTION THREE (20 MARKS)**

1. Explain the term “Nemo dat quod non habit” and mention the four rules to this doctrine (10 Marks)
2. Discuss the remedies for breach of a contract (10 Marks)

**QUESTION FOUR (20 MARKS)**

1. Explain the reasons why Kenya trades with other countries (10 Marks)
2. Discuss implied provisions which must be adhered to unless expressly excluded by parties to arbitration agreement (10 Marks)

**QUESTION FIVE (20 MARKS)**

Explain the following terms:-

1. Contracts of utmost good faith (4 Marks)
2. Doctrine of force majeure (4 Marks)
3. Contract of work and material (4 Marks)
4. Trade marks (4 Marks)
5. Privity of contract (4 Marks)