



UNIVERSITY OF EMBU

2017/2018 ACADEMIC YEAR

SECOND SEMESTER EXAMINATIONS

**SECOND YEAR EXAMINATION FOR THE DEGREE OF BACHELOR OF
ECONOMICS**

GPR 204: PROPERTY LAW

DATE: APRIL 9, 2018

TIME: 2:00 PM – 4:00 PM

INSTRUCTIONS:

Answer Question ONE and ANY Other TWO Questions.

QUESTION ONE (30 MARKS)

- a) Explain in detail any three types of transaction costs in relation to property rights. (5 marks)
- b) Expound on the essential characteristics of property rights (5 marks)
- c) Differentiate between property and property rights. (5 marks)
- d) How are property rights protected? (5 marks)
- e) Briefly discuss the emergence of property rights. (5 marks)
- f) Distinguish by giving examples between common property rights and open property rights. (5 marks)

QUESTION TWO (20 MARKS)

- a) Define the rule of adverse possession in involuntary transfer of property and explain the three contexts in which the rule should be considered. (12 marks)
- b) Explain in detail the reasons why people sell property. (8 marks)

QUESTION THREE (20 MARKS)

In land conflict, externalities vary along a variety of dimensions. They may occur contemporaneously with actions taken in the future and they may arise only under certain contingencies. Resolution of such externalities may be through bargaining.

- a) Discuss any five classic examples of such externalities. (10 marks)
- b) Explain the reasons why bargaining may not occur when mutually beneficial agreement exists in property externalities. (10 marks)

QUESTION FOUR (20 MARKS)

- a) Why should there be any property rights in things. In what respect does the protection of property and the ability to transfer property promote social welfare? (8 marks)
- b) Property rights encompass a few basic categories briefly explain the basic categories of property rights (12 marks)

QUESTION FIVE (20 MARKS)

- a) Discuss the various ways of voluntary property rights transfer (8 marks)
- b) "When private negotiations are not costless or transactions costs are not zero, the initial allocation will matter for efficiency" Explain this statement. (12 marks)

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