



**JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND
TECHNOLOGY**

**SCHOOL OF BUSINESS AND ECONOMICS
UNIVERSITY EXAMINATION FOR THE DEGREE OF BACHELOR OF
BUSINESS
ADMINISTRATION WITH IT**

2016/2017 ACADEMIC YEAR

REGULAR

COURSE CODE: ABA 208

COURSE TITLE: BUSINESS LAW II

EXAM VENUE:

STREAM: (BBA)

DATE:

EXAM SESSION:

TIME: 2 HOURS

Instructions:

- 1. Answer ALL questions in section A and ANY other 2 Questions in section B.**
- 2. Candidates are advised not to write on question paper.**
- 3. Candidates must hand in their answer booklets to the invigilator while in the examination room.**

QUESTION ONE (30MARKS)

a) In an agency relationship, all the parties thereto must meet the requisite legal threshold as per the law of contracts.

What challenges face agencies where some of the parties are natural legal persons while others are companies/corporations [non-natural legal persons] when it comes to liabilities arising from acts committed by the agency in the course mandate and/or duties? (10 Marks)

b) Mary wants to purchase goods from Climax limited company through hire-purchase.

Advise him on the implied terms of hire purchase agreements entrenched in the hire-purchase Act. (10 Marks)

c) A conduct of sale is where the seller transfers or agrees to transfer the property in goods to the buyer for the money consideration. In what circumstances can any contract be referred to as a contract of sale? (10 Marks)

QUESTION TWO (20MARKS)

a) Partnership is the relationship which exists between persons carrying on business in common with view of profit.

Mary wants to join a partnership and has come for consultation on what will be her right under partnership act. Advise her. (10 Marks)

b) John, who stays in Kisumu, has contracted David to sell goods on his behalf within Bondo town After selling the goods , John refuses to pay David for his services. Advice David on his legal rights. (10 marks)

QUESTION THREE (20MARKS)

a) Onyango, a politician in Kisumu, was invited to speak at a political rally that was organized by the youth in Kisumu town. During his address, he made damaging statements against Otieno. Otieno has subsequently, filed a suit of defamation in court. He has come to you to advise him on the nature of defamation and its differences. (10 marks)

b) Karioki who carries on insurance business in Nakuru, approaches you to advise him on the importance on insurance towards the community living in Nakuru his business. Explain (10 Marks)

QUESTION FOUR (20MARKS)

a) Kipchoge, a former student of Jaramogi Oginga Odinga University of Science and Technology has just landed a job with Unimix Ltd Company, very competitive a blue chip company. State the circumstances under which the employment can be terminated. (10 marks)

b) Cheques have become very important mode of exchange in the current society. Explain. (10 Marks)

QUESTION FIVE (20MARKS)

Write short concise explanatory notes on any four of the following:

(a) A promissory note (5 Marks)

(b) Premium (5 Marks)

(c) Price (5 Marks)

(d) Damages (5 Marks)