



**JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE  
AND TECHNOLOGY UNIVERSITY EXAMINATION 2016/17 2<sup>ND</sup> YEAR 2<sup>ND</sup>  
SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR OF BUSINESS  
ADMINISTRATION**

**KISII CAMPUS**

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**COURSE CODE: ABA 208**

**TITLE: BUSINESS LAW II**

**DATE: .....**

**TIME:.....**

**DURATION: 2 HOURS**

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**INSTRUCTION**

1. This paper contains **FIVE (5)** questions
2. Answer question **ONE (compulsory)** and any other **TWO**
3. Write all answers in the booklet provided

**QUESTION ONE (30MKS)**

- a. A contract is formed by an offer by one person and the acceptance of this offer by another person. The intention of both parties must be to create a legal relationship and they must have the legal capacity to make such a contract between the two parties. Therefore, on the basis of the above information, briefly explain the essential factors which are required for the formation of a contract. (5mks)
- b. Discuss the difference between the following ;
- i. Sale and contract for work and material (6mks)
- ii. Hire purchase and conditional sale (6mks)
- b. Define the Term Negotiable Instruments and Discuss Essential Ingredients (8mks)
- c. Discuss the circumstances which will justify a seller from refusing to accept the goods sold and delivered to a buyer (5mks)

**QUESTION TWO (20MKS)**

- a. What is meant by the doctrine of caveat emptor? And briefly outline the exemptions of the doctrine of 'caveat emptor. (8mks)
- b. Outline the conditions and warranties presumed to exist in every contract of hirer purchase (6mks)
- c. Discuss the general defenses available to defendant in case of break of a tort. (6mks)

**QUESTION THREE (20MKS)**

- a. Elaborate how a contract of agency may be created by necessity (10mks)
- d. Discuss the various ways by which a partnership may be dissolved (10mks)

**QUESTION FOUR (20MKS)**

- a. Explain the differences between a contract of indemnity and a contract of surety. (10mks)
- b. Briefly explain various types of mortgages (7mks)
- c. Explain the meaning and concept of lien (3mks)

**QUESTION FIVE (20MKS)**

- a. Discuss the circumstances which cause a contract of agency be dissolved. (10mks)
- b. Explain the meaning of the term unpaid, seller and discuss his rights. (10mks)