



GRETSA UNIVERSITY - THIKA

UNIVERSITY EXAMINATIONS JANUARY – APRIL 2017 SEMESTER

BACHELOR OF COMMERCE

COURSE CODE: BCBA 202

COURSE TITLE: BUSINESS LAW II

DATE: 5 APRIL 2017

TIME: 11.30 AM – 2.30 PM

INSTRUCTIONS TO CANDIDATES

1. SECTION A IS **COMPULSORY**.
2. SECTION B: ANSWER ANY OTHER **THREE** QUESTIONS.
3. **DO NOT** WRITE ANYTHING ON THIS QUESTION PAPER AS IT WILL BE AN EXAM IRREGULARITY.
4. ALL ROUGH WORK SHOULD BE AT THE BACK OF YOUR ANSWER BOOKLET AND CROSSED OUT.

CAUTION: All exam rooms are under CCTV surveillance during the examination period.

SECTION A

QUESTION ONE

An agent is a person employed to act for another, or to represent another in dealings with third persons;

- (a) Discuss the various classes of agency (12mks)
- (b) Describe the various duties of an agent towards the principal (12mks)

Insurance is a contract or agreement between two parties, the insurer and the insured;

- (c) Explain the features of life insurance (10mks)
- (d) Describe the various types of general insurance (6mks)

SECTION B

QUESTION TWO

A common carrier may be any individual, firm or company, which transports goods as regular business for money, over land or inland waterways;

- (a) Describe the liabilities of a common carrier under the law (12mks)
- (b) Explain the conditions implied in a contract of carriage of goods by sea (8mks)

QUESTION THREE

Negotiability may be conferred by statute or custom and restricted or destroyed by the holder of the instrument;

- (a) Explain what is meant by a negotiable instrument (4mks)
- (b) Discuss the various types of negotiable instruments (16mks)

QUESTION FOUR

The relationship of partners comes into existence by mutual agreement and the rights and liabilities of partners between themselves are governed by their partnership agreement;

- (a) Describe the rights of partners in a partnership (15mks)
- (b) Explain the duties of partners in a partnership (5mks)

QUESTION FIVE

A hire purchase agreement is a contract whereby the owner of the goods hires them out to the hirer and gives him the option to purchase the goods;

- (a) Explain the implied terms in a hire purchase agreement (12mks)
- (b) Describe the essentials of a bill (8mks)