



GRETSA UNIVERSITY - THIKA

UNIVERSITY EXAMINATIONS JANUARY-APRIL 2025 SEMESTER

BACHELOR OF COMMERCE

COURSE CODE: BCBA 200

COURSE TITLE: BUSINESS LAW 11

DATE: APRIL 2025

TIME:

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: COMPULSORY

Question One

. Naomi has just graduated from Grets University. She intends to start up a business as opposed to getting employed. Mara has advised him to form a partnership form of business due to the advantages of that form of business.

Required:

- a). Discuss five advantages of partnership form of business he stands to benefit from once he forms a partnership as opposed to any other form of business. **[12 marks]**
- b). Explain the various types of partners at the disposal of Naomi has she intends to expand her business. **[8 marks]**
- c). Discuss five differences between a sale and an agreement to sell **[10 marks]**

SECTION B: ANSWER ANY THREE QUESTIONS

Question Two

- a). Kathara is a wholesaler who deals in pharmaceuticals. He has sold goods worth kshs3 million to Brilliant pharmacy in Nkubu town who have committed to pay Kabe in two days once the goods are delivered to them. Unknown to them the Pharmacy has been having financial difficulties due to poor management. Immediately after dispatching the goods Kama who is a friend to Kabe has informed him of the predicament of Brilliant Pharmacy and that there is likelihood of them forfeiting to pay up their debt. Required: Explain four rights Kabe has on the goods or the Pharmacy once he confirms that the information about the pharmacy financial troubles. **[12 marks]**
- b). Discuss four rights an unpaid seller has against a debtor **[8 marks]**
 - a)

Question three

- a). Cola is a soft drinks manufacturer based in England. The firm has identified Apel limited to represent them here in Kenya and be the sole distributor of their goods in Kenya. The management of Apel limited has sought your advice on the rights Cola limited expect Apel limited to fulfil as their representative here in Kenya. **[10 marks]**
- b) Explain how this relationships can be dissolved in the course of time. **[10 marks]**

Question Four

a) Namart limited is a Retail chain in Kenya that has traded for over 25 years. In the recent months the company has been struggling to pay its debts and in most cases customers experience empty shelves. The firm has been sued by many creditors due to non-payment of debts. The shareholders have been contemplating filing for bankruptcy Required: Discuss five disadvantages the firm might experience as a result of filing for bankruptcy

[10 marks]

b) List and explain 5 characteristics of a Tort

[10 marks]

Question five

a) Explain five essential requirements of a valid contract

[12 marks]

b) Clearly distinguish between hire purchase and conditional sale?

[8 marks]