



The Co-operative University of Kenya
END OF SEMESTER EXAMINATION DECEMBER-2019
EXAMINATION FOR THE DEGREE OF BACHELOR OF
UNIT CODE: CMFI 2205
UNIT TITLE: BUSINESS LAW II

DATE: NOVEMBER, 2019

TIME:

INSTRUCTIONS:

- Answer question **ONE (compulsory)** and any other **TWO** questions

QUESTION ONE

- (a) The hire purchase agreement imposes legally binding obligations on the owner and the hirer. Discuss the duties imposed on the owner and the duties imposed on the hirer (20marks)
- (b) Defamation is a false statement said to damage a person's reputation. Discuss the two forms of defamation and state the various defences to defamation (10marks)

QUESTION TWO

- (a) Discuss the seven basic principles that create an insurance contract (14marks)
- (b) State and explain the duties of an agent to the principal (6marks)

QUESTION THREE

- (a) Discuss the various conditions and warranties implied by law into every sale of good contact (14marks)
- (b) Discuss the contents that must be found in a hire purchase agreement (6marks)

QUESTION FOUR

- (a) The Hire purchase Act attempts to safeguard the interests of the hirer. State SIX provisions that are deemed void if they are contained in a hire purchase agreement. (12marks)
- (b) Outline the various rights and duties of a partner in a partnership (8marks)

QUESTION FIVE

- (a) Any alteration to a bill of exchange is deemed to be material if it in any way changes the operation, effect and liability of the parties. Discuss Six alterations that are considered to be material by the Bill of Exchange Act (12marks)
- (b) Discuss the matters over which the Kadhi's court has jurisdiction (8marks)