



The Co-operative University of Kenya
END OF SEMESTER EXAMINATION DECEMBER-2016

EXAMINATION FOR THE DEGREE OF BACHELOR OF COMMERCE
(BCOM YR II SEM I)

UNIT CODE: HBC 2206

UNIT TITLE: BUSINESS LAW

DATE: 9TH DECEMBER, 2016

TIME: 9:00 AM – 11:00 AM

INSTRUCTIONS:

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

QUESTION ONE

- (a) Explain FIVE sources of law in Kenya. (10 Marks)
- (b) Distinguish the following:
 - (i) Substantive law and procedural law. (2 Marks)
 - (ii) Written and unwritten law (2 Marks)
 - (iii) National or municipal and internal law. (2 Marks)
 - (iv) Public and private law. (2 Marks)
- (c) Explain FIVE rights of a partner. (10 Marks)

QUESTION TWO

Define a contract and state SIX essential elements of a valid contract. (20 Marks)

QUESTION THREE

- (a) Explain the various rights of an agent in agency relationship. (10 Marks)
- (b) Explain the various ways through which agency relationship may be terminated. (10 Marks)

QUESTION FOUR

- (a) Distinguish between hire purchase and credit sale. (5 Marks)
- (b) Explain FIVE implied conditions and warranties in Hire purchase agreement. (15 Marks)

QUESTION FIVE

- (a) Define a contract of sale of goods. (2 Marks)
- (b) Explain essential characteristics of the sale of goods contract. (18 Marks)