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**GARISSA UNIVERSITY**

**UNIVERSITY EXAMINATION 2019/2020 ACADEMIC YEAR TWO**

**SECOND SEMESTER EXAMINATION**

**SCHOOL OF BUSINESS AND ECONOMICS**

**FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT**

**COURSE CODE: BBM 215**

**COURSE TITLE: BUSINESS LAW II**

**EXAMINATION DURATION: 2 HOURS**

**DATE: 11/12/2020 TIME: 3.00-5.00 PM**

**INSTRUCTION TO CANDIDATES**

* **The examination has FIVE (5) questions**
* **Question ONE (1) is COMPULSORY**
* **Choose any other TWO (2) questions from the remaining FOUR (4) questions**
* **Use sketch diagrams to illustrate your answer whenever necessary**
* **Do not carry mobile phones or any other written materials in examination room**
* **Do not write on this paper**

**This paper consists of TWO (2) printed pages *please turn over***

**QUESTION ONE (COMPULSORY)**

1. What do you understand by the term “future goods” under Sale of Goods? **[2 marks]**
2. Hassan is insuring his house against fire; He completes the proposal form and is issued with an insurance policy by the company. Would the insurance company reject a claim made by him later on because of the following reasons? Justify your answer
3. He had not disclosed to them that he had been jailed for theft three years ago**. [3 marks]**
4. He had not disclosed to them that a neighbor’s house had recently been destroyed by fire in mysterious circumstances **[3 marks]**
5. Discuss various principles of insurance **[10 marks]**
6. “The relationship between principal and agent creates obligations for both parties” Discuss the nature of the agent’s obligations to the principal and the remedies available to the principal if those are not fulfilled**. [12 marks]**

**QUESTION TWO**

1. In contract of insurance explain the duty of disclosure that rests on the assured. What is meant by insurable interest? **[7 marks]**
2. Discuss the exception to the law maxim **"NEMO DAT QUOD NON HABET" [5 marks]**
3. What are the various rights of the unpaid seller, under “Sale of Goods Act” **[8 marks]**

**QUESTION THREE**

1. Elucidate the ground of dissolution of a partnership firm **[5 marks]**
2. Yussuf delivers by a lorry a consignment of goods which he has contracted to sell to Amina. The goods are unloaded in Amina’s yard by the lorry driver. Later that day Amina examines the goods and discovers that they do not comply with the contract description. Advise Amina**. [8 marks]**
3. In the law of Negotiable instruments , what is meant by the following:-
4. Holder in due course **[2 marks]**
5. Qualified acceptance of a bill **[2 marks]**
6. Crossed cheque **[2 marks]**
7. Promisory note **[1 mark]**

**QUESTION FOUR**

1. What are the author’s rights under the Copyright Act? **[5 marks]**
2. What are the disabilities of an undischarged bankrupt **[5 marks]**
3. Discuss the remedies available to the creditor if the debtor defaults on payment under hire purchase **[5 marks]**
4. Discuss the bailee’s right under special contract**. [5 marks]**

**QUESTION FIVE**

Write short notes on the following

1. Life assurance **[4 marks]**
2. Role of patent in development of a nation. **[4 marks]**
3. Rights of a common carrier **[4 marks]**
4. Types of partnership **[4 marks]**
5. Del credere agent **[4 marks]**