



KENYATTA UNIVERSITY

UNIVERSITY EXAMINATIONS 2020/2021

FIRST SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR OF LAWS

LCC 309: COMMERCIAL LAW

DATE: TUESDAY 15TH JUNE 2021

TIME: 9.00 A.M. – 11.00 A.M.

INSTRUCTIONS

1. Answer ALL questions
2. Support your answer with relevant illustrations from case law, statutory provisions and any other references
3. Your writing must be **NEAT** and **LEGIBLE**.
4. Your answer booklet must bear your assigned **REGISTRATION NUMBER**, both on the cover and every written page therein.
5. Do not scribble or draft answers on the inner or outer cover pages or your answer booklet.
6. Do not write anything except your **REGISTRATION NUMBER** on this question paper.
7. All Kenyatta university Examinations rules apply as if they were contained herein.

Question One

Kanana is cyclist and he intends to buy a new bicycle. He visits Jayce Cycle shop a leading store and favorite for bicycle enthusiasts in Nairobi, he informs the assistant that he needs a good bicycle that he can use for training. The shop assistant recommends the latest model of Giant, he asks to test ride the bicycle by taking it out for a ride in the shop's yard. Kanana loves the feel of the bike and loves how light it is but wants it in yellow as it is his favorite colour.

The storeowner and Kanana agree on the colour from the catalogue, however the same is not available in the store at the moment and they agree that it will be delivered to Kanana within 2 weeks at his home.

Two weeks later, the bicycle is delivered and it is not only red, but also the model is not the same as what he had ridden at the shop but it is a Giant with the same specifications. Five months later, as he is riding his bike, a stranger stops and demand that he gives the bike to him as it was stolen from his home. After haggling and intervention of the police, it is established that the bike actually belonged to the stranger. Distressed by the unfolding circumstances, Kanana calls the shop to demand a refund and the store owner promptly informs Kanana that he had enjoyed the bicycle for 5 months and as such he cannot be responsible for any loss that has happened after such a long period of time.

Distressed, Kanana approaches you seeking legal counsel on this, draft a legal opinion for Kanana based on the above set of facts. (30 marks)

Question Two

Citing relevant authorities, critically examine the right to sell and its exceptions in the context of passing of property in goods. (20 marks)\

Question Three

Using relevant authorities, provide a critical analysis of the nature of the relationship of an agent and principal and how this relationship may be terminated (20 marks)