KENYATTA UNIVERSITY

UNIVERSITY EXAMINATIONS 2018/2019

FIRST SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR OF SCIENCE

BRE 311: COMMERCIAL LAW

DATE: THURSDAY 20TH DECEMBER 2018 **TIME: 8.00 A.M. – 10.00 A.M.**

INSTRUCTIONS

Question One is Compulsory, attempt any other Two questions

Q.1 a) Define the following terms:

i) Negotiable instruments (2 marks)

ii) E-commerce (2 marks)

iii) Price (2 marks)

iv) Promoter (2 marks)

b) Leigh hires Jennifer to be her real estate representative. Jennifer is tasked with helping Leigh find a house to buy and has the authority to place bids for Leigh after Leigh decides to make an offer. In relation to this scenario;

i) Establish the nature of relationship between the two parties stating the method of formation. (2 marks)

ii) Highlight the duties of Jennifer according to common law principles arising from this relationship. (16 marks)

iii) Explain the lawful grounds under which the relationship may come to an end. (2 marks)

Q.2 The professional management of a company requires decision making, which is sometime done through **business meeting** for a predetermined agenda for issues that cannot be addressed in a simple memo or departmental email. Accordingly explain;

a) The nature of decision(s) made during company meeting (2 marks)

b) The essential elements of a valid meeting (12 marks)

c) The application of duomatic Principle (6 marks)

Q.3 a) The establishment of a company is accorded a legal recognition once incorporation has been conducted and issued with a certificate of incorporation. In some scenarios company promoters enter to contracts prior to completion of the incorporation procedures. Explain:

i) The position of a promoter in pre-incorporated contracts (3 marks)

ii) The position of a company in pre-incorporated contracts (5 marks)

iii) The validity of pre-incorporated contracts (2 marks)

b) The purpose and operation of a company should be in harmony with the law(s) in force as well as the legal documents of the company (Memorandum). Elucidate;

i) The nature of an act/decisions beyond the memorandum (2 marks)

ii) The action taken by law in case of illegality (8 marks)

Q.4 Elliot in establishing a small buying and selling business and requires the installation of internet for his transaction. Therefore, he needs to purchase a powerful computer than his rather old model. He visits PC planet and describes his requirements to one of the assistants; he is given the quotation and the data of collection/delivery. Explain;

a) Whether this amounts to sale or agreement to sell (2 marks)

b) Transfer of property in goods under Sale of goods Act (12 marks)

c) Types of goods that are recognized under the Act for commerce (6 marks)

Q.5 Explain the following concepts

a) Characteristics of negotiable instruments (5 marks)

b) Kinds of company meetings (5 marks)

c) Types of agents (5 marks)

d) Intellectual property and law in relation to real estate (5 marks)