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University Examinations 2021/2022

**SECOND YEAR, SECOND SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR
OF PURCHASING AND SUPPLIES MANAGEMENT**

BFB 3254: BUSINESS LAW II

DATE: JANUARY 2022

TIME: 2 HOURS

INSTRUCTIONS: *Answer question **one** and any other **two** questions*

QUESTION ONE (30 MARKS)

- a) Explain the rules that govern the measure of damages in the law contract (10 marks)
- b) Discuss the various equitable remedies which may be available to an injured party who is suing for breach contract (10 marks)
- c) In relation to Ethics and Anti-corruption Commission Act no. 22 of 2011 (Revised in 2016), discuss the functions of Ethics and Anti-Corruption Commission (EACC) (5 marks)
- d) In accordance with competition Act No. 12 (Revised in 2016), discuss the establishment and functions of Competition Authority (5 marks)

QUESTION TWO (20 MARKS)

- a) Discuss three ways in which disputes from international trade can be settled (12 marks)
- b) Explain the term copyright and outline its components (8 marks)

QUESTION THREE (20 MARKS)

- a) In relation to arbitration method of dispute resolution, explain the parties involved in appointment of arbitrator(s) (5 marks)
- b) Explain the advantages and disadvantages of arbitration (15 marks)

QUESTION FOUR (20 MARKS)

- a) In relation to the law of Agency, explain five circumstances under which an agent may be held personally liable to third parties (10 marks)
- b) Raju appointed Kariuki to transport fresh fish from Mombasa to Nairobi. As Kariuki was preparing to leave Mombasa to Nairobi, it rained heavily and the Thange River Bridge was swept off. As a result, Kariuki chartered a flight to Nairobi to deliver the fish as he feared the fish would go bad and he was unable to immediately contact Raju. However upon arrival in Nairobi and delivery of fish, Raju refused to reimburse Kariuki charges for the flight Kariuki intends to sue Raju. Advise him. (10 marks)

QUESTION FIVE (20 MARKS)

- a) With reference to a contract of sale of goods, explain the implied conditions on the part of the seller (6 marks)
- b) Explain the exceptions to the “*nemo dat quod non haber*” rule (6 marks)
- c) A contract of sale of goods by sample between Ben and Sally provided that payment of the goods was to be made on arrival against the shipping documents.
Ben, who is the buyer, paid for the goods before he had the opportunity to examine the goods. Later, on examination, Ben found that the bulk of the goods did not correspond with the sample. Explain in detail when Ben can reject the goods (8 marks)