

UNIT CODE: COCM 1103

UNIT TITLE: COMMERCIAL LAW

DATE:

TIME: 2 HOURS

Answer Question 1 and any other Two Questions

QUESTION ONE

- a) Explain 5 vitiating factors in a contract (10 marks)
- b) Explain 5 sources of law (10 marks)
- c) Explain 5 remedies available under contract law (10 marks)

QUESTION TWO

(a) With reference to the Sale of Goods Act

(i) Explain the meaning of the rule “nemo dat quod non habet”. (4 marks)

(ii) Discuss four exceptions to the rule in (a)(i) above. (8 marks)

(b) Allan Bora, the proprietor of Pesa House, placed a warning sign outside the entrance to the building that the floors of the premises were slippery. Brian Mbiyo, who was in a hurry to attend classes in the building, did not see the notice. As Brian Mbiyo was rushing to class, he slipped, fell and fractured his hand. Brian Mbiyo is now seeking compensation from Allan Bora. Advise Allan Bora on his legal position. (8 marks)

QUESTION THREE

a) With reference to the law of agency:

(i) Distinguish between a “special agent” and a “general agent”.(4 marks)

(ii) Highlight five conditions which must be fulfilled for a principal to effectively ratify the acts of an agent. (10 marks)

(iii) Explain three obligations of an agent to the principal. (6 marks)

QUESTION FOUR

- a) Distinguish between a void contract and a voidable contract. (4 marks)
- b) Explain the essential elements of a contract (6 marks)
- c) Explain any 5 maxims of equity (10 marks)

QUESTION FIVE

- a) Identify three types of negotiable instruments (3 marks)
- b) What is a bill of exchange? (2 marks)
- c) Outline 5 rights of a holder of a bill of exchange (10 marks)
- d) Explain 5 duties of an agent (5 marks)