

1. (a) Explain **five** circumstances under which the principal may **not** revoke the agents authority. (10 marks)
- (b) Angwenyi, a property dealer instructed his client Mercy to sell his property at a commission of Ksh 30,000. Mercy found a purchaser who paid Ksh 160,000. After the sale, Mercy paid Angwenyi Ksh 130,000 and retained Ksh 30,000 as her commission from the purchaser. Subsequently, Angwenyi learnt that Mercy had also received Ksh 10,000 as commission from the purchaser. Explain the remedies Angwenyi has against Mercy. (10 marks)
2. (a) Explain **five** rules that govern the passing of property in goods from the seller to the buyer. (10 marks)
- (b) In relation to the law of carriage of goods, explain:-
 - (i) **three** conditions implied when a ship owner undertakes to carry goods by sea.
 - (ii) the effects of the breach of these conditions. (10 marks)
3. (a) Explain the formalities necessary for the creation of a valid hire-purchase contract. (10 marks)
- (b) Joseph entered into a hire purchase agreement with Bogasi Motors Limited. for hire of a motor vehicle whose purchase price was Ksh 300,000. After he had paid instalments amounting to Ksh 200,000, he fell into arrears and Bogasi Motors repossessed the motor vehicle without his consent. Joseph, who is aggrieved has come to you for advice. Advise him on his legal rights. (10 marks)
4. (a) You have been asked to draft a partnership agreement for a small retail firm of five partners. Explain the matters you would omit from the actual agreement on the basis that they are adequately covered by the general law of the Partnership Act (Cap 2a). (10 marks)
- (b) (i) Explain the rationale of the motor vehicle (third party) insurance in Kenya. (4 marks)
- (ii) Outline **three** main problems encountered in the application of the motor vehicle (third party) insurance in Kenya. (6 marks)
5. (a) Explain **six** circumstances under which a company may be wound up by a court order. (12 marks)
- (b) Explain **four** kinds of bailment for valuable consideration. (8 marks)
6. (a) In relation to bills of exchange, distinguish between presentment for acceptance and presentment for payment. (10 marks)

(b) Explain **five** conditions under which a court may stay proceedings where there is an arbitration agreement. (10 marks)

7. (a) Explain **three** kinds of Lien, giving one example of each. (9 marks)

(b) Kamau and Tunda went to Mr. Tumaini's Bookshop. Kamau picked a book worth Ksh 1,500. Tunda told Mr. Tumaini that she would pay for the book if Kamau failed to pay for it. Kamau went away with the book but he has refused to pay for it. Explain the legal position. (11 marks)
