

1. (a) Explain **five** circumstances under which the principal may not revoke the agent's 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. 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 Bogosi motors ltd 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 Bogosi motors repossessed the motor vehicle without his consent
Joseph who is aggrieved, has come to you for advice. Advise Joseph as to 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 29). (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 the bills of exchange distinguish between presentment for acceptance and presentment for payment. (10 marks)
- (b) Explain **five** conditions under which the 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) Mr Kamau and Mrs Tunda went to Tumaini Bookshop. Mr. Kamau picked a book worth Ksh.1,500. Mrs. Tunda told Tumaini that she will pay for the book if Mr. 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)
