

THE KENYA SCHOOL OF LAW



PRE-BAR EXAMINATION

COMMERCIAL LAW – PRB 006

(OLD PREBAR)

11<sup>TH</sup> JANUARY, 2023

DURATION: 3 HOURS

2.00 PM – 5.00 P.M

**Instructions to Candidates**

- (a) Answer Question ONE and any THREE Questions.
- (b) Each Question carries 25 Marks
- (c) Marks shall be lost for illegible handwriting

PLEASE TURN OVER

### QUESTION ONE

- a) List five (5) ways an agency relationship may be terminated. (10 Marks)
- b) Distinguish between an agent and an independent contractor. (5 Marks)
- c) List and explain five (5) different types of agents. (10 Marks)

### QUESTION TWO

- a) Sec. 6-7 of the Hire-Purchase Act provides for the contents of a valid Hire-Purchase agreement. List and explain five (5) contents. (10 Marks)
- b) Explain five (5) rules provided for in the Hire-Purchase Act (Part 5) on termination of a Hire-Purchase agreement. (15 Marks)

### QUESTION THREE:

- a) The unpaid seller has several rights provided for in the Sale of Goods Act. Outline the rights. (10 marks)
- b) Distinguish between ascertained and unascertained goods. (5 marks)
- c) Bailment is the act of delivering goods to a bailee for a particular purpose without transfer of ownership. Discuss how bailment is different from a sale of goods contract. (10 Marks)

### QUESTION FOUR

- a) "Promissory notes are now becoming obsolete in the era of technology" Discuss. (15 Marks)
- b) What is a bill of exchange? (5 Marks)
- c) Explain five (5) situations where a cheque can be dishonoured. (5 Marks)

### QUESTION FIVE:

Write short notes on the following

- a) Fitness for purpose. (5 Marks)
- b) Future goods. (5 marks)
- c) Estoppel in agency. (5 Marks)
- d) Sale by sample. (5 Marks)
- e) Ostensible authority. (5 Marks)

### QUESTION SIX:

"The law on Sale of Goods has been impacted by the advent of e-commerce." Discuss. (25 Marks)

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END