

THE KENYA SCHOOL OF LAW



PRE-BAR EXAMINATION

COMMERCIAL LAW – PRB 006

12TH JANUARY, 2021

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) Discuss 5 ways in which an agency relationship may be created. (10 marks)
- b) Explain 5 ways an agency relationship may be terminated. (15 marks)

QUESTION TWO:

- a) List 5 main clauses of a Hire-Purchase agreement. (10 marks)
- b) Discuss 3 main challenges facing Hire-Purchase agreements in the era of digital lenders. (15 marks)

QUESTION THREE:

- a) What are the remedies of the unpaid seller under the Sale of Goods Act? (15 marks)
- b) With the aid of decided cases and examples, distinguish between ascertained goods and future goods. (10 marks)

QUESTION FOUR:

Write short notes on the following: -

- a) Bailment. (5 Marks)
- b) Chattel mortgage (5 Marks)
- c) Bills of exchange (5 Marks)
- d) Ostensible authority. (5 Marks)
- e) Credit Sale. (5 Marks)

QUESTION FIVE:

- a) Describe 3 elements of a promissory note. (15 Marks)
- b) Discuss 5 characteristics of negotiable instruments. (10 marks)

QUESTION SIX:

- a) Using decided cases and examples, discuss the concept of 'fitness for purpose' in sale of Goods. (20 Marks)
- b) Explain the term 'Caveat Emptor'. (5 marks)

END