



MURANG'A UNIVERSITY OF TECHNOLOGY

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF HUMAN RESOURCE

UNIVERSITY ORDINARY EXAMINATION

2017/2018 ACADEMIC YEAR

**SECOND YEAR FIRST SEMESTER EXAMINATION FOR THE DEGREE OF
BACHELOR OF BSC ENTERPRENUERSHIP AND S. ENTERPRISES**

BCE 303 – COMMERCIAL LAW

DURATION: 2 HOURS

DATE: 11TH DECEMBER, 2017

TIME: 2.00 – 4.00 P.M.

Instructions to Candidates:

1. Answer **Question 1** and **Any Other Two** questions.
2. Mobile phones are not allowed in the examination room.
3. You are not allowed to write on this examination question paper.

SECTION ONE - COMPULSORY

QUESTION ONE

A contract is an agreement between two or more parties that is legally binding or enforceable by law.

- (a) Who are parties to an insurance contract? (2 marks)
- (b) Discuss the rights of an agent under an agency contract (10 marks)
- (c) Discuss any five types of contracts. (10 marks)
- (d) Differentiate between credit sale agreement and hire purchase agreements. (8 marks)

SECTION TWO – ANSWER ANY TWO QUESTIONS

QUESTION TWO

- (a) There are two types of associations. Corporations and un-incorporated associations. Highlight five characteristics of un-incorporated associations. (10 marks)
- (b) Discuss the classification of agents. (10 marks)

QUESTION THREE

- (a) Explain the characteristics of negotiable instruments. (10 marks)
- (b) Discuss the requirements for the formation of a company and those for commencement of business by a company. (10 marks)

QUESTION FOUR

- (a) Discuss the classification of law. (10 marks)
- (b) Write short notes on vitiating factors. (10 marks)