



THE CATHOLIC UNIVERSITY OF EASTERN AFRICA

A. M. E. C. E. A MAIN EXAMINATION

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JANUARY – APRIL 2018 TRIMESTER

FACULTY OF LAW

REGULAR PROGRAMME

SPECIAL EXAMINATION

CLS 210: COMMERCIAL LAW II
(Bankruptcy and Commercial Securities Law)

Date: APRIL 2018

Duration: 2 Hours

INSTRUCTIONS: Answer Question ONE and ANY OTHER TWO Questions

Q1. “Bankruptcy petition must be clean for the purpose of helping the debtor to limit his insolvency but not for the purpose of helping the debtors to avoid liability to third parties.”

Justice Githinji – RE ALMOODY (1990) KLR 280

- a) Provide a critical analysis of the facts, issues and bankruptcy principles handled in this case. (15 marks)
- b) Identify and discuss three (3) other objectives of bankruptcy/insolvency law in Kenya. (15 marks)

Q2. Discuss any one (1) of the following bankruptcy/insolvency law concepts:
a) Official Receiver;
b) Fraudulent Conduct;
c) Bankruptcy Offenses;
d) Distribution of the Estate. (20 marks)

Q3. Describe any two (2) changes introduced to the bankruptcy process in Kenya by the new Insolvency Law No. 18 of 2015. (20 marks)

- Q4. Discuss two (2) similarities and two(2) differences between Hire Purchase Contracts and Chattels Mortgages under the laws applicable in Kenya today. **(20 marks)**
- Q5. Ana Miguu obtained two (2) customised wigs valued at two (2) million Kenya shillings under a hire purchase agreement concluded with Kisura Ltd. (Nairobi). Ana Miguu later sold the two wigs to MamaTaifa(new State House Controller) at double price and then moved to Canada without completing the hire purchase payments. Kisura Ltd. has now filed a High Court petition against Mama Taifa for the recovery of the hire purchase balance and/or the return of the said wigs. Describe the rights and obligations of the three parties (3) in this matter as per the applicable hire purchase law in Kenya. **(20 marks)**

END