



THE CATHOLIC UNIVERSITY OF EASTERN AFRICA

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MAIN EXAMINATION

SEPTEMBER – DECEMBER 2019 TRIMESTER

SCHOOL OF BUSINESS

DEPARTMENT OF MARKETING AND MANAGEMENT

REGULAR PROGRAMME

CMM 121: BUSINESS TRANSACTION AND LAW

Date: DECEMBER 2019

Duration: 2 Hours

INSTRUCTIONS: Answer Question ONE and any other TWO Questions

Q1. (a) Where the buyer is in breach of a contract to seller, the seller may exercise statutory rights against the goods, subject to certain conditions. Explain what those rights are. Use statutory provisions and clear and relevant case law to support your answer.

(10 marks)

(b) Define a Hire Purchase Agreement. What are the key requirements of a valid Hire Purchase Agreement? **(8 marks)**

(c) Explain the implied authority of an Agent.

(12

marks)

Q2 Graham a dealer collects and sells rare books. Whilst visiting a local town he notices that Peter has three rare editions for sale in his second-hand bookshop. He negotiates and agrees ksh. 500/- for each of the rare editions.

On the assumption that he will have the books in his possession, he negotiates to sell the first book to Eric for Ksh.800/- . The second book is to be sold to Hellen for ksh.600/=. Together with another rare book that Hellen is to sell to Graham for Ksh. 400/= (as Graham has a buyer for this book in the sum of ksh.600/=) The third book, which is the only surviving copy, is to be sold to Richard for the sum of Ksh1000/=Graham has now returned to collect and pay

for the three books from Peter as agreed. He is shocked when Peter informs him that the sale is off because he has received an offer from Bertram in the sum of ksh. 2,000/= for the set of three books and has agreed to sell the books to him.

Explain the remedies, if any, Graham has against Peter. Under what circumstances can a breach of condition be treated as a breach of a warranty? What conditions and warranties are implied in a contract of sale?

(20 marks)

Q3 Define Agency relationship and explain the various ways in which the Relationship of Agency may be terminated. Use statutory provisions and well-reasoned judicial decisions. **(20 marks)**

Q4 Write short notes on the following

- (a) Bill of Lading
- (b) The Matrix of International trade sales contracts.
- (c) The Hansa Nord
- (d) International Contracts of Sale.

marks)

(20

END