

**THE KENYA SCHOOL OF LAW**



**PRE-BAR EXAMINATION**

**COMMERCIAL LAW – PRB 006**

**(OLD PREBAR)**

**10<sup>TH</sup> JANUARY, 2024**

**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) Hire-purchase agreements have several requirements as per the Hire-purchase Act Cap 507. List FIVE (5) key requirements. (15 Marks)
- b) List FIVE (5) rights of the hirer in a hire-purchase agreement. (10 Marks)

### QUESTION TWO

"In a sale of goods contract, capacity to buy and sell is regulated by the general law concerning capacity to contract and to transfer and acquire the property". Discuss (25 Marks)

### QUESTION THREE:

- a) Explain the "nemo dat" doctrine and list FIVE (5) exceptions to it. (15 Marks)
- b) "A defect in goods is not material to the contract if the buyer cannot recognize the defect by reasonable inspection". Discuss. (10 Marks)

### QUESTION FOUR

"The world is rapidly changing and the use of negotiable instruments is getting sidelined to niche areas of commerce". Elaborate on the statement above (if you agree or not) underlining the use of negotiable instruments in commerce today. (25 Marks)

### QUESTION FIVE:

- a) Agents can bind the principal when they enter into agreements with 3<sup>rd</sup> parties as a general rule. List FIVE (5) exceptions to this. (15 Marks)
- b) The agent-principal relationship can be terminated by consent or repudiation by one party. Discuss the above modes of termination highlighting disadvantages that the parties may face when the relationship is terminated in these TWO (2) ways. (10 Marks)

### QUESTION SIX:

"Bailment is a legal relationship between two parties in common law where assets or property are transferred from the bailor to the bailee". With this statement in mind, discuss the requirements for bailment and its role in the modern commercial environment. (25 Marks)

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END