KASNEB
ATD LEVEL I
DCM LEVEL I
COMMERCIAL LAW


Answer any FIVE questions.

Time Allowed: 3 hours.

ALL questions carry equal marks.

QUESTION ONE
(a) Highlight four inadequacies of common law which triggered the development of the principles of equity. (8 marks)

(b) With specific reference to classification of law:

(i) Distinguish between “municipal law” and “international law”. (4 marks)

(ii) State two examples of both “municipal law” and “international law”. (4 marks)

(c) Outline four ways in which a contract of guarantee might be terminated. (4 marks)

(Total: 20 marks)

QUESTION TWO
(a) In relation to the law governing negotiable instruments, identify five persons who might be parties to a negotiable instrument. (10 marks)

(b) With specific reference to the law of contract:

(i) Explain the remedy of “specific performance”. (2 marks)

(ii) Summarise four circumstances under which a court of law could decline to grant the remedy in (b) (i) above. (8 marks)

(Total: 20 marks)

QUESTION THREE
(a) In the context of the law of agency:

(i) Explain the meaning of the term “agent”. (2 marks)

(ii) Explain four ways through which the authority of an agent might be revoked by operation of the law. (8 marks)

(b) With reference to the court structure explain the following:

(i) Establishment of the Supreme Court. (2 marks)

(ii) Composition of the Supreme Court. (3 marks)

(iii) Jurisdiction of the Supreme Court. (5 marks)

(Total: 20 marks)

QUESTION FOUR
(a) With regard to the law of the sale of goods:

(i) Outline four ways through which a contract of sale of goods is made. (8 marks)

(ii) Explain the meaning of the term “unascertained goods”. (4 marks)

(b) Highlight four situations which of themselves do not constitute a partnership. (4 marks)

(c) Explain four ways through which a partner can exercise their implied authority. (4 marks)

(Total: 20 marks)
QUESTION FIVE
(a) Outline four ways through which co-ownership of property might be terminated. (4 marks)

(b) Herbert Mapesa, a rich but illiterate freehold property owner, has leased his property for a number of years to Kamau Wekesa. Herbert Mapesa wishes to repossess the property for his own use and seeks to know the various legal ways through which a lease might be terminated.

Advise Herbert Mapesa. (8 marks)

(c) Discuss the essential requirements of a hire purchase agreement. (8 marks)

(Total: 20 marks)

QUESTION SIX
(a) Highlight four features that distinguish a “partnership” from a “limited liability company”. (8 marks)

(b) Identify four rights of a member of a co-operative society. (4 marks)

(c) Explain two ways of acquiring citizenship. (2 marks)

(d) Summarise three types of domicile. (6 marks)

(Total: 20 marks)

QUESTION SEVEN
(a) Describe four defences available to a person who commits the tort of nuisance. (8 marks)

(b) (i) Discuss four objectives of reinsurance. (8 marks)

(ii) A contract of insurance is a contract of “uberrima fidei”.

Explain the above statement. (4 marks)

(Total: 20 marks)