KASNEB
CPA PART I SECTION 1
CS PART I SECTION 1
CCP PART I SECTION 1
COMMERCIAL LAW

FRIDAY: 20 November 2015.

Answer any FIVE questions.

QUESTION ONE
(a) Explain five main branches of civil law. (10 marks)
(b) Justify the need for delegated legislation. (10 marks)

(Total: 20 marks)

QUESTION TWO
(a) Explain five rights of an agent. (10 marks)
(b) Outline ten contents of a partnership deed. (10 marks)

(Total: 20 marks)

QUESTION THREE
(a) Discuss five remedies available whenever there is a breach of contract. (10 marks)
(b) Explain two ways in which independence of the judiciary is attained. (4 marks)
(c) Describe the role of the three arms of government as envisaged in the doctrine of separation of powers. (6 marks)

(Total: 20 marks)

QUESTION FOUR
(a) With specific reference to sale of goods contract:
   (i) Explain two implied warranties. (4 marks)
   (ii) Identify four essential characteristics of a sale of goods contract. (4 marks)
(b) Summarise six ways in which a lease agreement might be terminated. (12 marks)

(Total: 20 marks)

QUESTION FIVE
(a) Identify three consequences of not registering a hire purchase agreement. (6 marks)
(b) Distinguish between “Hire purchase” and “Credit sale”. (6 marks)
(c) Discuss four circumstances under which a guarantor would be discharged. (8 marks)

(Total: 20 marks)

QUESTION SIX
(a) With reference to the law of insurance, explain four grounds upon which the duty of disclosure is justified. (8 marks)
(b) Describe four ways through which a bill of exchange could be discharged. (8 marks)
(c) State two differences between a “Cheque” and a “Bill of exchange”. (4 marks)

(Total: 20 marks)

CA12, CS12 & CP12 Page 1
Out of 2
QUESTION SEVEN

(a) State seven principles that guide co-operative societies. (7 marks)

(b) Outline five rights of a member of a co-operative society. (5 marks)

(c) Explain four ways through which an occupier could guard against liability for independent contractors. (8 marks)

(Total: 20 marks)