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ATD LEVEL I

DCM LEVEL I

COMMERCIAL LAW

MONDAY: 27 November 2017.

Time Allowed: 3 hours.

Answer any FIVE questions.

ALL questions carry equal marks.

**QUESTION ONE**

- (a) (i) Define the term "morality". (4 marks)
- (ii) Explain three similarities between "law" and "morality". (6 marks)
- (b) In relation to the general rules of international law:
- (i) Explain the meaning of the term "treaty". (4 marks)
- (ii) Describe three rules that govern international treaties. (6 marks)
- (Total: 20 marks)**

**QUESTION TWO**

- (a) In the context of the law of torts:
- (i) Describe three circumstances in which a person employing an independent contractor might still be liable for that person's torts. (6 marks)
- (ii) Distinguish between "libel" and "slander" as used in the law of defamation. (4 marks)
- (b) Outline four duties of the seller under the DDP (Delivered Duty Paid) international contract of sale of goods. (4 marks)
- (c) Explain three differences between "lien" and "stoppage in transitu" as used in the Sale of Goods Act. (6 marks)
- (Total: 20 marks)**

**QUESTION THREE**

- (a) With reference to the doctrine of non-disclosure in contracts of insurance:
- (i) Explain three matters which need not be disclosed to the insurer by the insured. (6 marks)
- (ii) Outline three consequences of non-disclosure of material facts by the insured. (6 marks)
- (b) The interests of partners in the partnership property and their rights and duties in relation to the partnership shall be determined by set rules.
- With reference to the above statement, discuss four rules that determine the interests of partners. (8 marks)
- (Total: 20 marks)**

**QUESTION FOUR**

- (a) Summarise four obligations of the hirer under a hire purchase contract. (8 marks)
- (b) In the context of the law of agency:
  - (i) Identify three ways through which an agent's authority might be ascertained. (6 marks)
  - (ii) Describe four types of authority that an agent might possess. (6 marks)

**(Total: 20 marks)**

**QUESTION FIVE**

- (a) All courts are tribunals but not all tribunals are courts.  
  
In light of the above statement, explain five differences between "administrative tribunals" and "courts of law". (10 marks)
- (b) (i) Outline four ways through which copyrights and related rights might be infringed. (4 marks)
- (ii) Describe three characteristics of easements. (6 marks)

**(Total: 20 marks)**

**QUESTION SIX**

- (a) With reference to the law of negotiable instruments:
  - (i) State four circumstances in which a banker has no authority to honour a cheque drawn on him. (4 marks)
  - (ii) Explain three duties of a holder of a bill of exchange. (6 marks)
- (b) Describe five circumstances under which the court has power to appoint an arbitrator in arbitration proceedings. (10 marks)

**(Total: 20 marks)**

**QUESTION SEVEN**

- (a) Highlight six salient features of the contract of indemnity. (6 marks)
- (b) Outline the liabilities of joint and several guarantors under the law of guarantee. (4 marks)
- (c) Identify two circumstances when an order of prohibition might be issued against an administrative body. (4 marks)
- (d) Explain three conditions that African customary law must fulfill in order to be recognised as a source of law. (6 marks)

**(Total: 20 marks)**

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