



KISII UNIVERSITY
UNIVERSITY EXAMINATIONS

SECOND YEAR EXAMINATION FOR THE AWARD OF
THE DIPLOMA IN LAWS
FIRST SEMESTER, 2023/2024
(AUGUST-DECEMBER, 2023)

DLAW 0213: COMMERCIAL LAW II

STREAM: Y2 S1

TIME: 2 HOURS

DAY: THURSDAY, 12:00 – 2:00 PM

DATE: 23/11/2023

INSTRUCTIONS

- 1. Do not write anything on this question paper.**
- 2. Answer Question ONE (COMPULSORY) and any other TWO questions.**
- 3. Illustrate your answer with relevant cases and statutory provisions where applicable.**

QUESTION ONE

a) In the world of business and finance, negotiable instruments are a very important tool. They provide the parties with an ease of doing business. They can also be a source of finance when in need of funds. With this in mind, deal with the following:

- i) Define negotiable instruments **(2 Marks)**
- ii) Discuss features of negotiable instruments **(8 Marks)**
- iii) State and explain types of negotiable instruments. **(10 Marks)**

b) Liquidation is a collective insolvency process leading to the end of the Company's existence (Dissolution). This process is also known as winding up. Using relevant examples, discuss the existing and recognized methods of liquidation **(10 Marks)**

QUESTION TWO

- a) Part (vii) of the movable Property Security Rights Act 2017, sets out the regulations in respect of the reinforcement of a security rights by a secured creditor upon default by a grantor.

Using relevant provisions of the law

Explain the process of enforcement of a security right **(10 Marks)**

- b) In movable property security Rights Act 2017, the grantor and secured creditors have various rights and/or obligations. Discuss **(10 Marks)**

QUESTION THREE

Bills of exchange, as negotiable instruments are still widely used in international and local trade. With the above statement in mind;

- a) Briefly highlight the essential elements of a bill **(10 Marks)**
b) Discuss how bills of exchange are negotiated **(10 marks)**

QUESTION FOUR

- a) Discuss the creation of a Security right **(10 Marks)**
b) State and explain the content of a security right agreement **(10 Marks)**

QUESTION FIVE

- a) Discuss the essential elements of Bills of Exchange **(10 Marks)**
b) Write short notes on five of the following **(10 Marks)**
- i) Negotiation
 - ii) Delivery
 - iii) Secured creditor
 - iv) Promissory note
 - v) Movable property
 - vi) Endorsement