

UGANDA MARTYRS UNIVERSITY

NKOZI

UNIVERSITY EXAMINATION

MAY 2023

FACULTY OF LAW

BACHELOR OF LAWS (LLB) YEAR III

END OF SEMESTER TWO EXAMS

ACADEMIC YEAR 2022--2023

COMMERCIAL LAW (HIRE PURCHASE & AGENCY)

DATE: Thursday, 15th May 2023

TIME: 9:30 AM– 1: 00 PM

DURATION: 3 & HALF HRS

Instructions:

1. Carefully read through ALL the questions before attempting
2. This paper consists of two sections, A and B. Answer two questions from each section. All questions carry equal marks, (25). Answer a total of four questions (4).
3. This is a partially open book examination; students may bring into the examination room **CLEAN COPIES** of the Hire Purchase Act and the regulations thereunder and the Contract Act 2010 **BUT SHALL NOT SHARE THE SAME**
4. It is in your interest that your work is clear and readable.
5. Clarity of expression, provision of relevant authorities/examples and logical flow of arguments will earn you extra marks
6. Do not write anything on this question paper; use your answer booklets to do your rough work.
7. **ANY TYPE OF EXAMINATION MALPRACTICE WILL LEAD TO AUTOMATIC DISQUALIFICATION**

SECTION A

Question One

Differentiate a hire purchase contract from the following:

- a) A Contract of Conditional Sale (5marks)
- b) Instalment Sale Transactions (5marks)
- c) Bailment (5marks)
- d) Credit Sale (5marks)
- e) Contract of agency (5marks)

Question Two

Discuss fully the hirer's right to cancel or terminate a hire-purchase agreement and under what circumstances can the hirer exercise this right? (25marks)

Question Three

Roger acquired on hire purchase a car from Dave's Finance Ltd. Immediately on taking delivery of the car Roger sold it to Peter, a car dealer, who wanted it as a gift for his wife's birthday. Before buying the car, Peter carried out an HPI check on the car and was told by HPI that it was not registered with them as being subject to any finance arrangement. It appears that Dave's Finance Ltd frequently forgot to notify HPI of their finance agreements. Peter's wife didn't like the car so Peter sold it on to his friend George who is another car dealer. George put the car on his forecourt and sold it to James, a retired local butcher.

Roger has not made any payments to Dave's Finance Ltd who have now found out that Roger no longer has the car. They have contacted James requesting the car's return.

Advise the parties as to who now owns the car. (25marks)

Question Four

Explain the duties and rights of the hirer in a hire purchase agreement. (25marks)

SECTION B

Question Five

In what circumstances may an agent delegate the performance of his/her duties?

Question Six

Jennifer owns a boutique in Nkozi. She has to travel to attend a fashion exhibition in Zanzibar and leaves her assistant Irene, in charge of the boutique. Jennifer expressly warns Irene not to purchase any new consignments when she is away in Zanzibar. Irene is visited by Pato, a designer who shows her, his new collection for the season. Pato assumes Irene is the owner of the boutique as she prominently displayed her business cards on the counter. Irene signs an agreement to purchase 20 new designs from Pato's line. Pato seeks to receive payments for the sale. Advise Jennifer. **(15marks)**

In another incident, Fatuma approaches Irene who purports to act for Jessup without in fact having any authority from Jessup and offers to sell a vintage car at 30 million shillings. Irene accepts on condition that Fatuma keeps it under lock and key in her garage. Fatuma agrees but fails to do so and the car is stolen. On hearing this, Jessup ratifies Irene's acts and sues for the price of the car. Advise Fatuma. **(10marks)**

Question Seven

"The duties owed by agents to their principles are to be found in the express terms of their contract". Critically evaluate this statement. **(25marks)**

Question Eight

Using decided authorities and other legal authorities discuss the ways through which an agency can be terminated. **(25marks)**