



MUEO

MOI UNIVERSITY

**OFFICE OF THE DEPUTY VICE CHANCELLOR, ACADEMIC
AFFAIRS, RESEARCH & EXTENSION**

**UNIVERSITY EXAMINATIONS
2014/2015 ACADEMIC YEAR**

FIRST YEAR END OF SEMESTER EXAMINATIONS

**FOR THE DEGREE OF
BACHELOR OF BUSINESS MANAGEMENT**

EXAM CODE:- BBM 121

COURSE TITLE:- BUSINESS LAW I

DATE:- 8TH DECEMBER, 2015

TIME:-9.00A.M. – 12.00NOON

INSTRUCTION TO CANDIDATES

➤ **SEE INSIDE.**

THIS PAPER CONSISTS OF (2) PRINTED PAGES

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Instructions: Answer Question **ONE** and any other **THREE** Questions.

QUESTION ONE

- (a) Define the term "Source of Law" and discuss the main sources of law in Kenya
 - (b) Describe the limitations of common law which led to the development of the doctrines of equity **(6 Marks)**
 - (c) Distinguish between substantive law and procedural law **(4 Marks)**
 - (d) The constitution ensures the rule of law in a country and it also provides some fundamental rights to the individuals. Discuss the five principles and concepts of the constitution. **(5 Marks)**
- (Total 25 marks)**

QUESTION TWO

- (a) Explain the Doctrine of Separation of Powers. **(3 Marks)**
 - (b) Explain the factors that prove the supremacy of the Kenyan Constitution. **(4 Marks)**
 - (c) Distinguish between a Public Company and a Private Company. **(4 Marks)**
 - (d) Explain the differences between nationality and domicile of a person. **(4 Marks)**
- (Total 15 marks)**

QUESTION THREE

- (a) Distinguish between executed, executor and past consideration. **(3 Marks)**
 - (b) Explain with appropriate examples an invitation to treat. **(4 Marks)**
 - (c) On November 5, Kariuki wrote a letter to Barasa offering to sell him his car valued at 700,000/-. His letter was received by Barasa on November 7. At 4.00 pm on November 8, Barasa posted a letter to Kariuki accepting to buy the car at the price quoted by Kariuki. At 10.00 am on September 9, Barasa changed his mind and posted another letter to Kariuki saying he was no longer interested in buying the car. This letter was received by Kariuki at 12.00 noon on November 13. Barasa's earlier letter was received by Kariuki at 11.00 am on November 15. Advise the parties. **(8 Marks)**
- (Total 15 marks)**

QUESTION FOUR

- (a) Discuss the vitiating elements in respect of contracts. **(4 Marks)**
- (b) In relation to the Law of Tort, explain giving examples the following terms:
 - (i) Trespass **(3 Marks)**
 - (ii) Defamation **(3 Marks)**
 - (iii) Vicarious Liability **(2 Marks)**

(c) Explain the elements of the tort of negligence.

(3 Marks)

(Total 15 marks)

QUESTION FIVE

- (a) Distinguish between a private and a public nuisance and state the facts which the plaintiff is bound to prove in an action for nuisance. **(6 Marks)**
- (b) Discuss the doctrine of "Res ipsa Loquitor". **(4 Marks)**
- (c) Tumaini Works Garage in Eldoret employed a mechanic whose duty was to remove parked cars in the company's garage. He was expressly forbidden to drive the cars. In breach of this prohibition and in order to create space for other vehicles, the mechanic negligently drove a van onto the highway causing collision with Njoroge's van. Njoroge wishes to know his rights, if any, against Tumaini Works Garage. Advise him.

(5 Marks)

(Total 15 marks)

QUESTION SIX

- (a) Define the term "Legacy" and explain the types of legacies. **(6 Marks)**
- (b) Explain the essentials of a valid and binding arbitration agreement. **(3 Marks)**
- (c) Explain the three ways in which a dispute can be referred to arbitration. **(6 Marks)**

(Total 15 marks)

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