

The
Management
University
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CERTIFICATE UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

**CERTIFICATE IN MANAGEMENT AND LEADERSHIP/
CERTIFICATE IN ENTREPRENEURSHIP/ CERTIFICATE
IN INTERNATIONAL RELATION AND DIPLOMACY**

**CIR 101/CES 102/CML 104: INTRODUCTION OF BUSINESS
LAW AND ETHICS/FOUNDATION OF
BUSINESS LAW**

DATE: 30TH MARCH 2026

DURATION: 2 HOURS

**MAXIMUM
MARKS: 70**

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **FOUR** questions.
6. Question **ONE** carries **30 MARKS** and the rest carry **10 MARKS** each.
7. **Write all your answers in the Examination answer booklet provided.**

QUESTION ONE

Read the Case Study below carefully and answer the questions that follow:

Peter runs a small electronics shop in town. One afternoon, he was arrested by the police for allegedly selling counterfeit mobile phones. Peter claims that he was not aware that the goods were counterfeit and argues that his right to operate a lawful business has been violated.

Meanwhile, his business partner insists that operating a business is a privilege granted by the government, not an absolute right, and that the law must take its course.

The case is taken to court where the magistrate explains the importance of law in regulating business activities and maintaining order in society.

Required:

Using the information in the case study and your knowledge of Business Law, answer the following questions:

a) Using Peter's experience, explain how rights differ from privileges in a business setting

(4 marks)

b) Based on Peter's case, describe three ways in which the law helps regulate business activities

(6 marks)

c) Using Peter's situation, show the difference between criminal law and civil law, and identify which one governs his case.

(6 marks)

d) If the authorities acted unlawfully in Peter's arrest, explain two remedies he could pursue

(4 marks)

QUESTION TWO

a) Imagine you are advising a new entrepreneur entering the Kenyan market. Explain four classifications of law they should understand before starting operations.

(8 marks)

b) Using a business dispute scenario, show two differences between civil law and criminal law

(2 marks)

QUESTION THREE

a) Suppose a company seeks to expand operations in Kenya. Discuss four sources of law in Kenya that would affect its operations

(8 marks)

b) Give an example showing how African Customary Law may influence business relationships.

(2 marks)

QUESTION FOUR

a) A business wants to challenge a government decision in court. Describe the hierarchy of courts in Kenya they may navigate

(6 marks)

b) Using a real-life dispute example, distinguish between Superior Courts and Subordinate Courts. **(4**

marks)

QUESTION FIVE

a) A business owner is drafting an agreement with a supplier. Discuss four elements needed for this contract to be considered valid.

(8 marks)

b) Using a workplace scenario, explain two health and safety rights employees must be given.

(2 marks)

QUESTION SIX

a) A seller supplies goods but is not paid on delivery. Examine four rights the unpaid seller may exercise under the Sale of Goods Act.

(8 marks)

b) Using a consumer purchase situation, assess two protection measures available to buyers.

(2 marks)