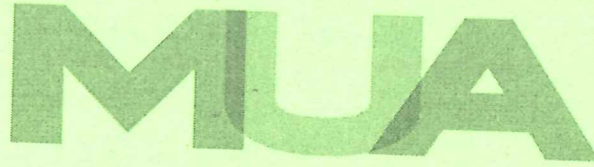


2024
The
Management
University
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UNDERGRADUATE UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

**DEGREE OF BACHELOR OF MANAGEMENT AND
LEADERSHIP/BACHELOR OF EDUCATION ARTS**

BCM 121/BUS 202 : BUSINESS LAW 1

DATE: 29TH JULY 2024

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 **THREE** questions.
6. Question **ONE** carries **25 MARKS** and the rest carry **15 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:

Alice who owns a computer company (TLM Ltd) to sell her computer and put an advert in 'Computer Weekly' which stated, offer for sale, Tiger computer, ksh 70,000 followed by her telephone number.

On Monday Basil went to see the computer and said that he would pay ksh 50,000 but that he must have a written answer by Wednesday.

On Tuesday Alice decided to sell to Basil and sent a fax to this effect to his office. Basil was off work on Tuesday and did not see the fax. On Wednesday Alice sent a letter to Basil's home address but the letter was delayed and did not arrive until Friday.

Meanwhile as Basil had not heard from Alice, at noon on Wednesday he bought another computer and then went to Alice's house and told Chris, her husband, who told Alice later that day. Alice has now claimed that Basil is in breach of contract.

Required:

- a) Explain the legal position of Alice on this case (8 marks)

- b) A contract may come to an end and the parties discharged from their obligations in various ways. Discuss any four ways in which a contract may be terminated. (8 marks)

- c) A remedy is the means given by law for the enforcement of a right. Discuss any three remedies for a breach of contract. (9 marks)

QUESTION TWO

James owned an artificial lake on his land. An unprecedented rain such as had never been witnessed in the living memory caused the banks of the lakes to burst and the escaping water washed away the crops of a neighbor's farm owned by Joseph.

- a) Advise Joseph on his legal position. (3 marks)
- b) Differentiate between a tort and a contract. (4 marks)
- c) Explain any two types of damages. (8 marks)

QUESTION THREE

Describe the composition of the following;

- a. The supreme court of Kenya (9 marks)
- b. Court of appeal (6 marks)

QUESTION FOUR

- a) Explain the meaning of a case law. (3 marks)
- b) The legislative power of parliament is accessible through bills passed by the National assembly. With reference to the above statements, explain three types of bills that might be presented to parliament in Kenya (6 marks)
- c) Discuss three disadvantages of using case law as a source of law in Kenya (6 marks)

QUESTION FIVE

A partnership is defined as the 'the relation which subsists between persons carrying on a business in common with a view of making profit.

- a) Discuss any three essentials of a partnership. (6 marks)
- b) Discuss any three reasons why the parties may dissolve a Partnership business. (9 marks)

QUESTION SIX

- a) The law relating to the sale of goods is contained in the sale of goods Act (Cap 31) Laws of Kenya. There are however Essentials which should apply for the contract of a sale to be Valid. Discuss any three of those essentials. (6 marks)
- b) Discuss any two rights of a buyer. (4 marks)
- c) Joan bought a car from Nick for Kshs.500,000 six months ago. Unknown to either of them, the car was stolen. Malcolm, the Car's owner, has now properly recovered the car from Joan. Advice Joan whether she has any monetary claim against Nick or Malcolm under the Sale of Goods Act 1979. (5 marks)

