

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

**EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF PURCHASING
AND LOGISTICS MANAGEMENT**

BPLM 302: BUSINESS LAW

STREAMS: BCOM Y4S1

TIME: 2 HOURS

DAY/DATE: FRIDAY 24/09/2021

2.30 P.M – 4.30 P.M

INSTRUCTIONS

Answer question one and any other two

QUESTION ONE

- (a) Discuss the differences and similarities between a bill of exchange and a cheque. [10 marks]
- (b) Explain any three classifications of law. [6 marks]
- (c) State and explain five ways by which a valid contract can be terminated by frustration. [10 marks]
- (d) Kimathi an infant borrowed money from Equity bank with a forged identity card. The bank has threatened to sue the father if the same money is not paid by the end of the month. What is the legal position.
- (i) If Kimathi borrowed the money to pay his fees? [2 marks]
- (ii) When Kimathi become a major and promises the bank manager to pay and he later breaches the contract? [2 marks]

QUESTION TWO

- (a) Explain the duties of both the employer and employee in a principal agency relationship. [10 marks]

- (b) B told Otieno, a car dealer that he wanted a car that would be comfortable for touring purposes. Otieno recommended to B a “Bugetti” car. When it was delivered, it was found that it was neither comfortable nor suitable for touring purposes. B sued for the return of the purchase money. Can he succeed? [5 marks]
- (c) Explain five conditions for ratification of the act of an agent by a principal. [5 marks]

QUESTION THREE

- (a) Discuss with examples, the various ways by which the agency can be terminated. [10 marks]
- (b) Explain how the constitution is a source of the Kenya law. [6 marks]
- (c) Harry and Thuku agreed to meet for a business lunch at a restaurant in town. During the lunch, Chuma one of Thuku’s friend joined the two and begun to participate in the discussion. Chuma told Harry that he was Thulu’s agent to which Thuku did not object. A week later, Chuma obtained goods on credit from Harry, allegedly on behalf of Thuku. Chuma has since disappeared and Harry demanding payment from Thuku. Decide. [4 marks]

QUESTION FOUR

- (a) Explain five remedies for breach of contract. [10 marks]
- (b) With reference to contract of sale of goods, explain 4 implied conditions on the part of the seller under Cap 31 laws of Kenya. [8 marks]
- (c) A exchange his car with B but because A’s car was newer than B’s, B had to add him ksh 200,000 besides giving him a car. A insisted that they were bound by cap 31, sale of goods act. B the were not, decide who was right and why. [2 marks]
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