

CHUKA

UNIVERSITY



UNIVERSITY EXAMINATIONS

RESIT/SPECIAL

EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF PROCUREMENT AND LOGISTICS MANAGEMENT, BACHELOR OF ENTREPRENEURSHIP AND ENTREPRISE MANAGEMENT & AGRIBUSINESS MANAGEMENT

BPLM 302/AGBM 404: BUSINESS LAW

STREAMS: BPLM, BEEM &AGBM

TIME: 2 HOURS

DAY/DATE: MONDAY 01/02/2021

2.30 P.M. – 4.30 P.M.

INSTRUCTIONS: Answer question ONE and any other TWO

QUESTION 1

- (a) Explain five methods of creating an agency. (5 marks)
- (b) Tanzania and Uganda have boundary dispute. Obama has summoned both the two presidents in Kenya to try and resolve the conflict. Obama would like to know which law is applicable in this dispute. Fully advice him (5 marks)
- (c) List and explain five elements of a valid contract. (10 marks)
- (d) Explain the essentials of a contract of sale. (5 marks)
- (e) Ben 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 Ben borrowed the money to pay his fees?
 - (ii) When Ben becomes a major and promises the bank manager to pay and he later breaches the contract? (5 marks)

QUESTION 2

- (a) What is the statutory application of the African customary law? (10 marks)
- (b) Under a contract for sale of goods, it is very important to know who has the “property in goods” at any given time. Briefly explain why this is important. (5 marks)

- (c) A (a minor) sold a car to B. B has now sold the said car to C. A wants to avoid the contract and eventually claim the Car from C. They have come to you, Advise.

(5 marks)

QUESTION 3

- (a) Joe was Peter's Agent and on Peter's behalf made many contracts with Tom over a period of years. Peter later terminated Joe's agency but failed to notify Tom. Joe continued to deal with Tom in his own name and on his own behalf, but became bankrupt. Tom as a result suffered losses and now claims to be entitled to damages by way of compensation from Peter. Advise Peter regarding his liability. (5 marks)
- (b) Discuss how the constitution of Kenya is a source of law in Kenya. (5 marks)
- (c) Explain the ways in which agency relationship may be discharged. (10 marks)

QUESTION 4

- (a) Explain how property is dealt with when a partnership is dissolved. (5 marks)
- (b) John went for holiday in Mombasa and during his tour; he identified a car which he has been looking for. He instructed the seller to deliver the car to Nakuru where he was going to pay him the purchase price. The car was involved in an accident at Nairobi. John refused to pay. The seller wants to be paid. Decide giving reasons for your decision. (5 marks)
- (c) Explain the characteristics of a negotiable instrument. (10 marks)
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