

CHUKA



UNIVERSITY

**UNIVERSITY EXAMINATIONS**

**CHUKA/EMBU/CHOGORIA**

**EXAMINATION FOR THE AWARD OF CERTIFICATE IN BUSINESS  
MANAGEMENT**

**CIBM 00141: BUSINESS LAW**

**STREAMS: Y1S2**

**TIME: 2 HOURS**

**DAY/DATE: TUESDAY 23/03/2021**

**8.30 A.M – 10.30 A.M**

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**INSTRUCTIONS:**

**Answer question one and any other two questions**

**QUESTION ONE**

1. Explain capacity to contract in regards to contracts with minors, idiots and drunkards. [6 marks]
2. Using a diagrammatic representation, explain the legal relationship between parties to an agency. [4 marks]
3. Discuss Africa customary law as a source of Kenya law. [6 marks]
4. Explain 5 ways in which an offer can be terminated. [10 marks]
  - (i) Testate and Intestate [2 marks]
  - (ii) Public law and private law [2 marks]

**QUESTION TWO**

- (a) Explain three circumstances under which the government may be sued in tort. [6 marks]
- (b) There are certain concepts or principles which permeate any law including constitutions of states. Explain this concept by use of examples. [4 marks]

- (c) Describe five factors that might invalidate a contract under the law of contract. [10 marks]

**QUESTION THREE**

- (a) Design the hierarchy of Kenyan court from the lowest to the highest. [10 marks]  
(b) Explain Islamic law as a source of law in Kenya. [2 marks]  
(c) A contract determines circumstances in which promises made by parties shall be legally binding on them. Describe the essentials of a valid contract. [8 marks]

**QUESTION FOUR**

- (a) Describe the powers and composition of the various organs of the government as vested in the constitution of Kenya 2010. [4 marks]  
(b) Evaluate the relevance of the doctrines of equity in solving disputes in modern business firms. [6 marks]  
(c) The Kenyan law recognizes two types of persons. Explain . [4 marks]
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