

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

THARAKA CAMPUS

SECOND YEAR EXAMINATION FOR THE AWARD OF DEGREE  
OF BACHELOR OF COMMERCE

BCOM 202: BUSINESS LAW I

STREAMS: BCOM (Y2S2)

TIME: 2 HOURS

DAY/DATE: FRIDAY 07/12/2018

2.30 P.M. – 4.30 P.M.

INSTRUCTIONS:

- Answer question ONE and any other TWO questions
- Do not write on the question paper

QUESTION ONE

- (a) Distinguish between the following terms as applied in law
- (i) Private law and public law [2 marks]
  - (ii) Void contract and voidable contract [2 marks]
  - (iii) Executory contract and executed contract 2 marks]
- (b) Highlight any four key differences between a civil wrong and a criminal wrong. [8 marks]
- (c) Rose wanted to buy a book from Silas' shop whose marked price was ksh 700. She wrote him an email saying "I will be passing by your business premises on Friday as I pick a book I saw at your shop and I will pay ksh. 650. If I do not hear from you by tomorrow, I will consider the book mine". Silas did not reply and he actually sold the book to Doris on Thursday noon. Rose wants to sue Silas. Advise her. [4 marks]
- (d) Identify four circumstances under which an offer may be terminated by an act of the parties. [8 marks]

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- (e) By use of relevant examples distinguish between corporation sole and corporation aggregate as applied in law of persons. [4 marks]

### QUESTION TWO

- (a) Discuss any four defenses available to a defendant Royal Media company trading in news dissemination when faced with a suit of defamation. [8 marks]
- (b) Loice saw a nice dress displayed in a boutique in Meru town and on top of the dress was a tag with a phrase “OFFER! OFFER! Ksh 200 only. Loice hurriedly went to the cashiers desk and placed ksh. 200 while instructing the boutique attendant to pack the dress for her before she gets late for job. To her surprise, the cashier declined her request claiming the real price for the dress was ksh. 2000 and the ksh 200 price tag was mistakenly placed by the attendant. Loice wish to sue the boutique attendant. Advise her citing relevant case law [4 marks]
- (c) Discuss four remedies available to a plaintiff for breach of a contract. [8 marks]

### QUESTION THREE

- (a) Discuss the various ways through which an employment contract may be terminated. [10 marks]
- (b) Kenyan laws are derived from various sources. Briefly discuss any four sources of law in Kenya. [8 marks]
- (c) Based on law of succession a will may be made either orally or in writing. Highlight two circumstances under which an oral will can be declared invalid. [2 marks]

### QUESTION FOUR

- (a) Explain any four distinctive elements of a valid contract [8 marks]
- (b) Masumbuko, a person from your home area has died intestate leaving no surviving spouse or children. Clearly discuss the order of priority by which the net intestate estates will devolve among the kindred. [6 marks]
- (c) In tabular form, clearly differentiate between a tort and a contract [6 marks]

