

BUST 0324

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

EMBU CAMPUS

THIRD YEAR EXAMINATION FOR THE AWARD OF DIPLOMA IN

BUST 0324: BUSINESS LAW

STREAMS: DIP.

TIME: 2 HOURS

DAY/DATE:

INSTRUCTIONS: ANSWER QUESTION ONE AND ANY OTHER TWO QUESTIONS

QUESTION ONE

- (a) In relation to the law of contract explain the legal principles applicable in the following situations, stating whether a contract exists or not:
- (i) Musa writes to Jane, "I will sell you my car for sh. 60,000. If I hear nothing from you before Saturday, I will take it that you have accepted". Jane does not reply by Saturday. Musa is threatening to sue Jane for breach of contract. Advise Musa. [7 marks]
 - (ii) Kariuki sees a trouser in a shop window with a price label of sh. 2000. He goes into the shop to buy the trouser. He gives sh. 2000 to the cashier but he was told the wrong price tag was attached and that the correct price is sh. 4000. Kariuki insists on buying the trouser for sh. 2000. Advise Kariuki. [7 marks]
- (b) Explain the functions of the Judiciary as an arm of government. [10 marks]
- (c) Outline the differences between criminal law and civil law. [6 marks]

QUESTION TWO

- (a) Explain the advantages of arbitration as a form of settling disputes. [10 marks]
- (b) Discuss the rules which govern the acceptance of an offer. [10 marks]

QUESTION THREE

- (a) Explain the advantages of delegated legislation as a source of law. [10 marks]
- (b) Explain the common defenses to a tort. [10 marks]

QUESTION FOUR

- (a) With reference to the law governing legal personality:
 - (i) Distinguish between a “natural person” and an “artificial person”. [6 marks]
 - (ii) Discuss the ways in which a natural person can be created. [6 marks]
 - (b) Highlight the circumstances under which African customary law may be applied in court. [8 marks]
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