

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

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: TUESDAY 07/08/2018

2.30 P.M. – 4.30 P.M.

INSTRUCTIONS:

- **Answer questions ONE and any other TWO.**

QUESTION 1

- (a) Explain public nuisance as a tort. (3 marks)
- (b) Explain five written sources of the Kenyan law. (10 marks)
- (c) Discuss five essentials of a valid offer. (10 marks)
- (d) Abel holds an auction of his furniture at which Evans, Florence and Giddy bid. The highest bid of Ksh 10,000 is made by Giddy. Abel refuses to sell. Advise Giddy. (3 marks)
- (e) Explain 2 agreements that are not contracts. (4 marks)

QUESTION 2

- (a) B offered to purchase a house upon certain, terms, possession to be given on or before 25th July. A greed to the terms, but said he would give possession on the 1st of August. Do we have a contract? (4 marks)
- (b) Three weeks ago the Kadhi court delivered a judgment in a case in which Peter was accused of neglecting his children. Having been convicted of the offence, he thinks the judgment was very unfair. He has come to you to advise him, do so. (4 marks)

- (c) X applied for the post of a head master in a school. At its meeting, the meeting committee passed a resolution appointing him to that post. X did not receive any official intimation of his appointment, but one of the members of the committee privately informed him about it. The resolution was subsequently rescinded. Can X sue the managing committee for breach of contract? (4 marks)
- (d) Kosgei called on last week complaining that Mrs. Kamau had breached a contract they had entered into for sale of a house in Chogoria. What three remedies are open to him? (6 marks)

QUESTION 3

- (a) Peter pays Kshs 50,000 to Abel a civil servant employed in the government department, in consideration of Abel's promise that a government contract which is at the disposal of his department will be placed with Peter. Before this can be done, Abel is transferred to another department. Peter wishes to reclaim from Abel the money paid to him, will he succeed? (5 marks)
- (b) Discuss five factors which may interfere with freedom of consent in a contract and give their effect on a contract entered into when each of the factor(s) is present. (10 marks)
- (c) Explain two types of offers. (4 marks)
- (d) Explain who is a dependent as per the law of succession. (6 marks)

QUESTION 4

- (a) Discuss 3 defenses available to a defendant newspaper company trading in news dissemination when faced with a suit of defamation. (6 marks)
- (b) We have several ways in which a contract of employment can be terminated, explain any two by frustration. (4 marks)
- (c) Discuss competency to contract as per the Kenyan law. (10 marks)
-