

CHUKA



UNIVERSITY

SUPPLEMENTARY/ SPECIAL EXAMINATIONS

**THIRD YEAR EXAMINATION FOR THE AWARD OF DEGREE OF
BACHELOR OF COMMERCE**

BCOM 202: BUSINESS LAW I

STREAMS: BCOM/BTHM/BED/BPLM

TIME: 2 HOURS

DAY/DATE: MONDAY 01/02/2021

8.30 AM – 10.30 AM

INSTRUCTIONS:

Answer question 1 and any other two

QUESTION 1

- (a) Explain the importance of law to the society. (10marks)
- (b) Explain the highest court of the land stating its jurisdiction. (5marks)
- (c) Peter sends an invitation to his friend in Chogoria to come to Chuka to play in Peter's football match against a local team during the weekend. Ben sends a letter accepting A's offer and travels to Chuka at his own expense. He presents himself to the football field, but Peter refuses to include him in the team. Can Ben sue Peter for breach of contract? (5marks)
- (d) For a contract to be binding on the parties' at least five elements must never be lacking. Discuss any of these five elements. (10 marks)

QUESTION 2

- (a) Negligence is one of the common torts in business law. What is it? (3marks)
- (b) Three weeks ago the High court delivered a judgment in a case in which Peter was accused of mutiny in the Kenya Armed Forces. Having been convicted of the offence, he thinks the judgment was very unfair. He has come to you to advise him, do so, by stating with explanatory the nature of the court which found him guilty before the High court also did. (4marks)
- (c) Explain a "person" as per law of persons citing the relevant case law. (5 marks)

- (d) Explain the remedies for breach of a contract (8marks)

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? (3marks)

(b) Kenya, as a nation, has many sources of law. Some are home grown while others are foreign. Briefly discuss three such sources which are foreign. (6 marks)

(c) F handed H a written offer. The next day F posted a withdrawal of the offer. This was posted between 12noon and 1 pm and it did not reach until after 5pm. In the meantime H at 3.50pm posted an acceptance, discuss (4marks)

(d) Explain five ways by which a contract is terminated (10marks)

QUESTION 4

(a) Discuss any defense available to a defendant newspaper company trading in news dissemination when faced with a suit of defamation. (6marks)

(b) Explain "consent". When is consent said to be free? What is the effect on the validity of a contract when consent is not free? (6marks)

(c) Explain four classifications of law. (8marks)
