

CHUKA UNIVERSITY

DIBM 0141 – BUSINESS LAW- TIME: 2 HOURS

INSTRUCTIONS:

Answer Question ONE (1) and Any Other TWO Questions

Do not write anything on the Question paper.

QUESTION ONE

- a) Discuss the essential elements of contract that help to ascertain whether a contract is enforceable [10 marks]
- b) Discuss any defense available to a defendant newspaper company trading news when faced with a suit for defamation [10 Marks]
- c) Explain the mandate and operation five courts in the hierarchy of the Kenyan courts [10 Marks]

QUESTION TWO

- a) Every person is presumed by law to have capacity to enter into a contract, but there are some situations in which this capacity is lacking or may be questionable. Explain this statement [10 Marks]
- b) In relation to the law of persons, explain six consequences of incorporation [6 Marks]
- c) Explain the meaning of the following terms as used in business law:
 - i. Invitation to treat [2 marks]
 - ii. International law [2 marks]

QUESTION THREE

- a) Discuss five ways in which the principal agent relationship can be created [10 marks]
- b) What is meant by “fundamental principles and concepts” [10 Marks]

QUESTION FOUR

- a) Discuss the limitations of African Customary Law as a source of law. [10 marks]
- a) You have been invited to address trainee teachers in your county on essentials of professional negligence in the teaching profession. Prepare your address and use relevant examples to explain [8 marks]