

CHUKA



UNIVERSITY

**UNIVERSITY EXAMINATIONS**

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

**BCOM 202: BUSINESS LAW**

**STREAMS: BCOM Y2S1 (ODEL)**

**TIME: 2 HOURS**

**DAY/DATE: MONDAY 08/04/2024**

**2.30 P.M – 4.30 P.M.**

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**INSTRUCTIONS:**

- **Answer question ONE and any other TWO.**
- **Do NOT write on the question paper.**

**QUESTION ONE**

- (a) Kenya, as a nation, has many sources of law. Some are home grown while others are foreign. Briefly discuss three such sources which are received. (5 marks)
- (b) “All contract are agreements but all agreements are not necessarily contract” (10 marks)
- (c) You have been freshly employed as a tutorial fellow in the commerce department of Chuka University.

Required: define law to the business law to the business law class, in order to make them understand it. (6 marks)

- (d) Kariuki entered Jatomy supermarket, picked up one of shopping baskets provided and filled it with groceries from the shelves. As he was approaching the cashier he realized that his purse had been stolen and decided to replace the goods on the shelves. The manager of the supermarket who had been observing Kariuki’s movements instructed one of his assistants to approach Kariuki and tell him that the goods had been sold and he could not replace them on the shelves. Advise Kariuki accordingly. (5 marks)
- (e) Three weeks ago the kadhi court delivered a judgment in a case in which Peter was accused of beating his wife. 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)

**QUESTION TWO**

- (a) Explain rules regarding a minor's capacity to contract. (5 marks)
- (b) The case of **Solomon v. Solomon and Company Ltd (1897)** imports an important principle in Business Law. Restate the principle and discuss its basic meaning. (5 marks)
- (c) Bett called on last week complaining that Mrs. Mwangi had breached a contract they had entered into for sale of a house in Chogoria. What remedies are open to him? (10 marks)

**QUESTION THREE**

- (a) Explain the constitution as a source of Kenya Law. (6 marks)
- (b) Explain five vitiating factors in a contract. (10 marks)
- (c) Donald wanted to buy a success card from Beatrice's shop at Ksh 70/=. He wrote to her an e-mail saying "I am coming on Friday to pick the card which I saw at your shop. I will pay Ksh 65/= as I pick it, if I do not hear from you by tomorrow, I consider the card mine." Beatrice did not reply the mail. She actually sold the card to Tom on Thursday at noon. Donald wants to sue Beatrice. Advice him. (4 marks)

**QUESTION FOUR**

- (a) Discuss any defense available to a defendant newspaper company trading in news dissemination when faced with a suit of defamation. (10 marks)
  - (b) We have several ways in which a contract of employment can be terminated, explain. (5 marks)
  - (c) A young boy ran away from his father's home and the father issued pamphlets announcing thus: "anybody who finds trace of the boy and brings him will get ksh 10,000" X saw this boy near a railway station and promptly took him to the railway police station and then sent a telegram to the boy's father that he had found the missing son. Was X to be rewarded? Decide this sitting the relevant case law. (5 marks)
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