



**TECHNICAL UNIVERSITY OF MOMBASA**  
***Faculty of Business & Social Studies***

DEPARTMENT OF BUSINESS STUDIES

DIPLOMA IN BUSINESS ADMINISTRATION

DIPLOMA IN ACCOUNTANCY

**BMG 2101: BUSINESS LAW I**

END OF SEMESTER EXAMINATIONS

**SERIES:** APRIL 2015

**TIME:** 2 HOURS

**INSTRUCTIONS:**

- This paper consists of **FIVE** questions.
- Answer question **ONE (Compulsory)** and any other **TWO** questions.
- Do not write on the question paper

***This paper consists of Two printed pages.***

### **QUESTION 1 (Compulsory)**

- a) Explain the circumstances under which a contract may be discharged by operation of the law. **(10 marks)**
- b) Examine the rights and obligations of the parties to an agency relationship. **(10 marks)**
- c) Discuss the differences between a bill of exchange and a cheque. **(10 marks)**

### **QUESTION 2**

- a) Outline the general principles applicable to the tort of negligence. What is the position if the plaintiff in an action for negligence is himself responsible for part of the damage? **(15 marks)**
- b) State the decision in Rylands V Fletcher 1868. Explain concisely the importance of the decision. **(5 marks)**

### **QUESTION 3**

- a) State briefly the duties and rights of the agent. **(10 marks)**
- b) Outline the ways in which a bill of exchange may be discharged. **(10 marks)**

### **QUESTION 4**

Describe the main rules applying to the doctrine of consideration in contract. **(20 marks)**

### **QUESTION 5**

- a) Explain the distinguishing features of:
  - i) A corporation sole **(4 marks)**
  - ii) A corporation aggregate **(3 marks)**
  - iii) An unincorporated association. **(3 marks)**
- b) How may a person acquire Kenyan nationality? Explain the position of:
  - i) An alien woman who marries a Kenyan citizen and
  - ii) An alien man who marries a Kenyan citizen. **(10 marks)**