



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

DEPARTMENT OF BUSINESS STUDIES

DIPLOMA IN BUSINESS ADMINISTRATION  
DIPLOMA IN ACCOUNTING

**BMG 2101: BUSINESS LAW I**

SPECIAL/SUPPLEMENTARY EXAMINATIONS

**SERIES: FEBRUARY 2015**

**TIME: 2 HOURS**

**INSTRUCTIONS:**

- This paper consists of **FIVE** questions.
- Answer question **ONE (Compulsory)** and any other **TWO** questions.

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

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

- a) In relation to the law of contract. Discuss the rules relating to acceptance of an offer. **(10 marks)**
- b) Enumerate the various methods by which the authority of an agent is terminated. **(10 marks)**
- c) Explain the advantages that an Act of Parliament may possess. **(10 marks)**

### **QUESTION 2**

- a) Examine the concept of legal personality and describe the various kinds of corporations, giving examples of each. **(10 marks)**
- b) Distinguish between nationality and domicile. **(10 marks)**

### **QUESTION 3**

- a) “Injuria sine damnum” is actionable but damnum sine injuria” is not. Explain with examples decided cases. **(10 marks)**
- b) Explain and illustrate the difference between trespass to goods and conversion. **(10 marks)**

### **QUESTION 4**

- a) What is a holder in due course and what are his rights. **(10 marks)**
- b) Enumerate **FIVE** examples of contracts which are considered to be contrary to public policy. **(10 marks)**

### **QUESTION 5**

Write short notes on the following:

- a) Judicial precedent **(5 marks)**
- b) A corporation sole **(5 marks)**
- c) Vicarious liability **(5 marks)**
- d) Undue influence. **(5 marks)**