



TECHNICAL UNIVERSITY OF MOMBASA
School of Business

DEPARTMENT OF MANAGEMENT SCIENCE
DEPARTMENT OF ACCOUNTANCY & FINANCE

DIPLOMA IN BUSINESS ADMINISTRATION
DIPLOMA IN ACCOUNTANCY

BMG 2101: BUSINESS LAW I

SPECIAL/SUPPLEMENTARY EXAMINATIONS

SERIES: JUNE/JULY 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) i) What do you understand by the term sources of law? **(5 marks)**
ii) List and explain the sources of law in Kenya as outlined under the Judicature Act Cap 8 of the laws of Kenya. **(10 marks)**
- b) State and discuss the ways in which an offer can be accepted in the law of contract. **(15 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 the following:
i) Domicile and Residence **(5 marks)**
ii) Domicile and Nationality **(5 marks)**

QUESTION 3

State and discuss the ways in which an agency can be terminated. **(20 marks)**

QUESTION 4

- a) Define ‘Negotiable instrument and list **SIX** negotiable instruments’. **(10 marks)**
- b) What is the effect of a “not negotiable crossing” on.
i) A cheque **(5 marks)**
ii) A bill of exchange **(5 marks)**

QUESTION 5

- a) Outline the ways in which a contract may be discharged. **(10 marks)**
- b) Write short notes on:
i) Volens non fit injuria
ii) Inevitable accident
iii) Act of God
iv) Statutory Authority
v) Malice in tort **(10 marks)**