



TECHNICAL UNIVERSITY OF MOMBASA

SCHOOL OF BUSINESS

DEPARTMENT OF BUSINESS ADMINISTRATION

UNIVERSITY EXAMINATION FOR:

DEGREE IN

BACHELOR OF BUSINESS ADMINISTRATION, BACHELOR OF COMMERCE

BMG: 4202: BUSINESS LAW I

END OF SEMESTER EXAMINATION

SERIES: AUGUST 2019

TIME: 2 HOURS

DATE: Pick Date Aug 2019

Instructions to Candidates

You should have the following for this examination

-Answer Booklet, examination pass and student ID

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

Do not write on the question paper.

Question ONE

- a) Mogaka is a trader operating a hardware within Kwale County. He sold some cements and timber to Karisa for Ksh. 60,000. Having taken possession of the cements and timber, Karisa realized that the timbers were not suitable for the purpose in which he intended to use them. Having realized so, Karisa returned the timber to Katana and insisted for a refund of his money. Guided by relevant provisions of the law and case law advice both Mogaka and Karisa on their respective remedies (12 Marks).
- b) Discuss the general defences available against a suit of a tort (10 Marks).
- c) Citing relevant provisions of the law, explain the importance of the Kenyan constitution of 2010 as a source of law in Kenya (8 Marks).

Question TWO

- a) Aided by relevant case law, discuss the contractual capacity of a minor (8 Marks)
- b) Describe the characteristics of a negotiable instrument (12 Marks).

Question THREE

- a) Discuss the essential elements to prove defamation (10 Marks).

- b) Aided by relevant provisions of the law discuss the duties of an agent towards his Principal (10 Marks)

Question FOUR

- a) Aided by relevant provisions of the law, explain the methods through which authority of a banker can be terminated (12 Marks).
b) Distinguish between a bill of exchange and a promissory note (8 Marks)

Question FIVE

- a) Guided by full citation of the case, discuss the rule established in the case of *Rylands versus Fletcher* (8 Marks)
b) Discuss the rules relating to consideration in a contract (12 Marks)