



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) Mwazecha is a trader dealing with assorted goods. He sold some goods to Charles for Ksh. 100,000 with an arrangement that Charles will pay the purchase price by the end of May, 2019. Having taken possession, Charles utilized the goods but failed to pay the purchase price as agreed. Mwazecha is now before you for legal advice. Guided by law, advise Mwazecha on the legal remedies available in law against Charles (12 Marks).
- b) Guided by relevant case law, discuss how a contract of agency is terminated (8 Marks).
- a) Explain the defences available against a tort for defamation (10 Marks).

Question TWO

- a) Aided by relevant case law, discuss the contractual capacity of corporations (10 Marks)
- b) Describe the characteristics of a bill of exchange (10 Marks).

Question THREE

- a) Explain the extent in which Customary law and Islamic law are a source of law in the Republic of Kenya (10 Marks).

b) Aided by relevant case law, discuss the concept of vicarious liability (10 Marks)

Question FOUR

a) Explain the essential elements to prove a tort of negligence (8 Marks).

b) Explain the concepts of waiver, novation and merger in the law of contract (12 Marks)

Question FIVE

a) Discuss the importance of studying law to a business student (8 Marks)

b) Aided by relevant case law, discuss **SIX** ways through which a contract is discharged (12 Marks)