



TECHNICAL UNIVERSITY OF MOMBASA

School of Business

Department of Business Administration

UNIVERSITY EXAMINATION FOR: BACHELOR OF TECHNOLOGY IN MECHANICAL ENGINEERING

BMG 4450: LAW FOR ENGINEERS

END OF SEMESTER EXAMINATION

SERIES: APRIL 2025

TIME: 2 HOURS

DATE: Pick Date April 2025 Pick Year

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

Everest Engineering Ltd was formed by Eng. Ann Mwikali, a graduate from the Technical University of Mombasa. Eng. Mwikali engaged the services of Ken & company Advocates in drafting the articles of association, memorandum of association and filling of the application for registration of the company with the Registrar of Companies. The advocates also prepared a prospectus for inviting potential investors to subscribe to the shares of the company and issued copies to interested persons. The Registrar sent the registration certificate of Everest Engineering Ltd to Ken & Co. Advocates which forwarded the registration documents to Eng. Ann Mwikali. Within fourteen days after receiving the registration certificate, Eng. Mwikali invited the persons who had

subscribed to the shares to the first general meeting where they appointed the company secretary and auditor. They also elected five members to the Board of directors of the company. Everest Engineering Co. bought a plot where the company was going to set up a large yard and a workshop for repairing huge machinery. The board also planned to enter several contracts of supplies with local suppliers of goods and services. It is also intending to employ engineers, technicians and office staff.

- (a) (i) Identify the legal position of Eng. Mwikali in the process of formation of the company and give a justification for your answer. (2 marks)
- (ii) Briefly explain the legal relationship between Eng. Mwikali and Ken & Co. advocates in the process of registration of Everest Engineering Ltd. (2 marks)
- (iii) Explain three fiduciary duties Eng. Ann Mwikali owes Everest Engineering Ltd before its registration by the Registrar of Companies. (6 marks)
- (b) Explain five ways in which Everest Engineering Ltd may lawfully acquire property after its incorporation. (10 marks)
- (c) You are the company secretary of the board of directors of Everest Engineering Company Ltd, advice the board on five types of employment contracts they may offer to the prospective employees. (10 marks)

Question TWO

- (a) Engineering profession is strictly regulated by law. Explain five authoritative sources of law which may be consulted by practicing engineers. (10 marks)
- (b) A client has been injured while in the workshop of Mafanikio Engineering and Works Ltd (ME&W). The client has sued ME&W Ltd for the injury.
 - (i) Outline the ground for the liability of ME&W Ltd for the injury. (2 marks)
 - (ii) Explain four general defenses ME&W Ltd may rely on against the suit. (8 marks)

Question THREE

- (a) Engineers often use agents to make contract. Outline five ways in which agency may be created. (10 marks)
- (b) (i) Explain two types of terms of a contract. (4 marks)

(ii) Explain three ways in which a contract may be made. (6 marks)

Question FOUR

- (a) A manager of an engineering firm is intending to insure the machinery he recently bought with an insurance company. Advise him on five elements of a contract of insurance. (10 marks)
- (b) Explain five jurisdictions of the Supreme Court. Of Kenya. (10 marks)

Question FIVE

- (a) Maina and three other former school mates have established a general partnership business of an open-air garage in downtown Mombasa. Explain five ways in which the partnership can break up. (10 marks)
- (b) The Engineers Act 43, 2011 makes provisions for the appointment of the Engineers Board of Kenya. Explain five functions of the Registrar of the Engineers Board of Kenya. (10 marks)