



TECHNICAL UNIVERSITY OF MOMBASA

School of Humanities and Social Sciences

Department of HOSPITALITY & Tourism MANAGEMENT

UNIVERSITY EXAMINATION FOR THE DEGREE OF:
BACHELOR OF TECHNOLOGY IN HOTEL AND HOSPITALITY
MANAGEMENT (CLASS: BTHM A21 Y4/S1)
UNIT CODE: UNIT HHH 4401: UNIT NAME: HOSPITALITY LAW
END OF SEMESTER EXAMINATION

SERIES: JULY 2025

TIME: 2 HOURS

DATE: Pick Date Jul 2025

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.

SECTION A (Answer all the questions)

30 POINTS

QUESTION ONE

Wilson Omani is a contractor specializing in building and construction of concrete structures. He is currently working independently as a sole proprietor. Recently he applied for a tender to construct an additional building for Bimarx Resort Plc to be used as a sauna. Extel International Inc. owns 63% of the shares of Bimarx Resort Plc. Mr. Omani's application was disqualified because the tender was open only to registered companies. Mr. Omani would like to register a company before the new tender is advertised. Teln Contractors Ltd won the tender but halfway through the contract work stopped without any proper explanation to Bimarx Resort Plc. The board of directors of Bimarx Plc is accusing the contractor of delays that have costed the company a lot in terms of wasted business opportunities and is planning to seek legal intervention in order to secure itself from further losses.

- (a) (i) Briefly explain to Mr. Omani the function of the memorandum of association. (2 marks)
- (ii) Explain to him the difference between a company limited by shares and a company limited by guarantee. (2 marks)
- (iii) Outline the relationship between Bimarx Resort Plc and Extel International Inc. (2 marks)

(iv) Briefly explain the rule of ultra vires in relation to companies.

(4 marks)

(b) Explain five ways in which agency can be formed.

(10 marks)

(c) Explain to the board of directors of Bimarx Resort Plc five advantages of resolving the dispute between Bimarx Resort Plc and Teln Contractors Ltd by Alternative Dispute Resolution mechanism.

(10 marks)

SECTION B (Answer only TWO questions)

QUESTION TWO

(a) The Hotels and Restaurants Act modifies the common law liability of the Innkeeper. Explain the modified rules.

(10 marks)

(b) The Judicature Act provides that the substances of common law are an authoritative source of law in Kenya. Outline five characteristics of common law.

(10 marks)

QUESTION THREE

(a) The Employment Act 226 of 2007 sets the requirements for laying off employees on the ground of redundancy. Explain five such requirements.

(10 marks)

(b) Explain five general defenses available in the common law of tort.

(10 marks)

QUESTION FOUR

(a) (i) Briefly explain why the employer is an ‘occupier’ in terms of the Occupiers Liability Act 34.

(2 marks)

(ii) Outline four general duties of the employer provided for under the Occupational Health and Safety Act, 2007.

(8 marks)

(b) Contracts in hospitality such as contracts of accommodation must comply with basic requirements. Explain five such requirements for valid contracts.

(10 marks)

QUESTION FIVE

(a) H&G Meridian Hotel is a five-star hotel in downtown Johannesburg recently acquired by Mr. Anthony Mokulele. Explain five ways of acquiring property lawfully in Kenya.

(10 marks)

(b) Mrs. Mwamuzu is a proprietor of Shanzu Conference Center. She was advised by a friend to insure all the property in the facility. Mrs. Mwamuzu has approached you for advice about insurance policies. Explain five principles of insurance.

(10 marks)