



TECHNICAL UNIVERSITY OF MOMBASA

Faculty of Business & Social Studies

DEPARTMENT OF BUSINESS STUDIES

UNIVERSITY EXAMINATIONS FOR DEGREE IN
BACHELOR OF BUSINESS ADMINISTRATION

HBC 2112: BUSINESS LAW I

SUPPLEMENTARY/SPECIAL EXAMINATIONS

SERIES: MARCH 2014

TIME: 2 HOURS

INSTRUCTIONS:

- Answer Question **ONE (Compulsory)** and any other **TWO** questions.
This paper consists of Two printed pages
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QUESTION 1 (Compulsory)

- a) Paul entered into a contract with Debra where he hired his car to the latter for an agreed sum of sh. 5000 per day. Debra was a prostitute and she intended to use the car to attract men and Paul was aware of this. Debra defaulted in payment and Paul brought an action against her. Explain the legal issues arising and what your advice would be to Paul, give reasons for your advice. **(10 marks)**
- b) Explain how a contract may be vitiated by misrepresentation, and duress. **(10 marks)**
- c) Explain the principle of privity of contract. **(10 marks)**

QUESTION 2

- a) What is a source of law? **(2 marks)**
- b) Explain the process of legislation in Kenya. **(10 marks)**
- c) Explain the conditions under which African Customary Law is applied as a source of law in Kenya. **(8 marks)**

QUESTION 3

Explain how Agency relations may be created by:

- a) Implication
- b) Ratification

(10 marks)

(10 marks)

QUESTION 4

Discuss the elements, remedies and defences of the tort of defamation.

(20 marks)

QUESTION 5

Write short notes on the following:

- a) Citizenship
- b) Role of law in society

(20 marks)