



**JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY**

**SCHOOL OF BUSINESS AND ECONOMICS**

**UNIVERSITY EXAMINATION FOR THE DEGREE OF BACHELOR OF**

**BUSINESS ADMINISTRATION WITH IT,**

**2<sup>ND</sup> YEAR 2<sup>ND</sup> SEMESTER 2023/2024 ACADEMIC YEAR**

**MAIN CAMPUS AND KISUMU CAMPUS.**

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**COURSE CODE: BAB 1212.**

**COURSE TITLE: BUSINESS LAW 11**

**EXAM VENUE: LAB 13**

**STREAM: BBA**

**DATE: 24/04/2024**

**EXAM SESSION: 14.00 – 16.00 PM**

**TIME: 2 HOURS**

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**Instructions**

- 1. Answer Question ONE (COMPULSARY) and ANY other two (2) questions**
- 2. Candidates are advised not to write on the question paper.**
- 3. Candidates must hand in their answer booklets to the invigilator while in the examination room.**

1)

- (a) Define the term 'goods' as used in the Sale of Goods Act and distinguish a contract for the sale of goods and a contract for Hire Purchase. (5 marks)
- (b) Explain the meaning of the legal maxim '*nemo dat quod non habet*' and any 5 exceptions. (5 marks)
- (c) Define what a Cheque is and in what ways may a cheque be crossed. (5 marks)
- (d) What do you understand by the term, conditional sale agreement. (5 marks)
- (e) Explain the rules that must be adhered to by a principal when ratifying acts of an agent. (10 marks)

2)

- (a) Kamau has worked for his employer for five years. Last week, he was asked to sign a document entitled '***Covenant Not to Compete***'. In this agreement Kamau promised not to compete with his employer, regarding accounts that he had serviced, for a period of two years after leaving. Kamau did not receive anything for signing this agreement. Where is the consideration? Is this agreement enforceable? (7 marks)
- (b) Benedette was asked by "Mr. Onyango" to find a buyer for his restaurant in exchange for a payment of 15% of the sales price if she found a buyer. Benedette did not have a real estate license nor did she claim to have one. She obtained a buyer and was paid one-half of the commission. Onyango refused to pay any more commission saying that he did not have to since Benedette did not have a realtor's license as required by state law. Is he correct? He also said that Benedette had to return the part of the commission that he had already paid to her. Expound on the legality of Mr. Onyango's actions? (8 marks)
- (c) Hassan Abdi, a 15-year old boy who looks older, just signed a contract joining a health club which has "dues" of Kshs. 5,000 a month. Is this contract valid? (5 marks)

3)

- (a) A valuable consideration, in the sense of the law, may consist either in some right, interest, profit or benefit accruing to the one party or some forbearance, detriment, loss or responsibility, given, suffered or undertaken by the other" Discuss this statement. (20 marks)

4)

- (a) What do you understand by the term agency by ratification? What are the effects of ratification if any? (10 marks)
- (b) Under what circumstances is a contract of guarantee automatically discharged? (10 marks)

5)

- (a) Write short notes on the following; -
  - i. Tort Feaser (5 marks)
  - ii. Vicarious Liability (5 marks)
  - iii. Volenti non fit injuria (5 marks)
  - iv. Motive and Malice (5 marks)