



JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY
SCHOOL OF BUSINESS & ECONOMICS
UNIVERSITY EXAMINATION FOR THE DIPLOMA OF BUSINESS ADMINISTRATION
1ST YEAR 2ND SEMESTER 2017/2018 ACADEMIC YEAR
MAIN CAMPUS

COURSE CODE: BBM 2123

COURSE TITLE: BUSINESS LAW I

EXAM VENUE:

STREAM: DBA

DATE:

EXAM SESSION:

DURATION: 2 HOURS

INSTRUCTIONS

- 1. Answer QUESTION ONE and any other TWO questions**
- 2. Show all your workings.**
- 3. Candidates are advised not to write on the question paper**

QUESTION ONE

- a) Explain the functions of law in business. (10 Marks)
- b) What are the essentials of a hire purchase contract? (10 Marks)
- c) Explain rules regarding a minor's capacity to contract (5 Marks)
- d) explain ways by which a guarantor is discharged from a contract of guarantee (5 Marks)

QUESTION TWO

Julie bought a television set from Mercury Traders at a price of Kshs. 120,000. She took the television set into her possession only to be informed by Juanita on the scheduled day for payment of the second installment (being the total balance price), that the said television set indeed belongs to Juma, that Mercury traders were dealers in stolen goods and had facilitated the stealing of the television set which had been in turn sold off to Julie at a throw-away price.

Advice Julie on her legal position and rights of the parties to the said contract of sale. (20 Marks)

QUESTION THREE

- (a) Judicial precedents are an important source of law in Kenya, Substantiate the above statement (12 Marks)
- (b) With help of relevant case law, Explain how a contract is discharged (8 Marks)

QUESTION FOUR

Write short notes on

- a) the doctrine of caveat emptor (6 Marks)
- b) To what extent Customs are a source of law in Kenya (10 Marks)
- c) Voluntary dissolution of a partnership (4 Marks)

QUESTION FIVE

Distinguish between:

- a) coercion and undue influence (3 Marks)
- b) guarantee and indemnity (5 Marks)
- c) Sale and agreement to sell (7 Marks)
- d) Legal rules and moral rules (5 Marks)