



JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY
SCHOOL OF BUSINESS AND ECONOMICS
UNIVERSITY EXAMINATION FOR THE DEGREE OF BACHELOR OF
LOGISTICS AND SUPPLY CHAIN MANAGEMENT WITH I.I
2ND YEAR 2ND SEMESTER 2018/2019 ACADEMIC YEAR
NAIROBI CITY LEARNING CENTRE

COURSE CODE: BBM 3223

COURSE TITLE: BUSINESS LAW

EXAM VENUE: 12TH FL RM 1

STREAM: (BLSCM)

DATE: 3/12/2018

EXAM SESSION: 9:00AM – 11:00AM

TIME: 2.00 HOURS

INSTRUCTIONS:

- 1. Answer Question ONE (COMPULSORY) and ANY other 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.**

Question 1

- a) What are the basic elements of a contract? Please describe (5 Marks)
- b) Define the law of tort (2 mark)
- c) William's leg was injured in a car accident. William wants to sue the car owner, Henry, for causing the injuries on him. Please explain what must William prove in order to succeed in an action based on negligence? (10 marks)
- d) What is the meaning of "nervous shock" under the law of tort? (5 mark)
- e) Define law (2 marks)
- f) Explain the difference between civil law and criminal law (6 marks)

Question 2

- (a) Michael, a Kisumu importer, had on 1.4.2018 contracted to buy 5,000 tonnes of rubber from Amin, who is a Malaysian, at the purchase price of Ksh5,000,000. However, Michael has just heard that the Kenyan Government had on 1.5.2018 made a law to prevent the import of any rubber. Michael had already on 1.4.2018 paid a deposit of Ksh 500,000 to Amin, and had on 15.4.2018 received the first batch of 1,000 tonnes of rubber from Amin. Michael is facing a problem because it will be unlawful for him to continue the contract with Amin in respect of the sale and purchase of the rubber. Advise the parties as to their liability under the contract. {12 Marks}
- (b) Please describe the ways in which *an offer* may be revoked/terminated. {8 Mark}

Question 3

- a. Explain the essential elements of the insurance contract (10 Marks)
- b. Explain in detail the principles of insurance (10 marks)

Question 4

- (a) Alan saw a watch in XYZ shop. Since it was the first shop he had visited he asked if the watch could be put away until the next day when he would make up his mind. The shop manager offered to keep the watch for 2 days. Later in the evening on the same day, Alan saw his friend, David wearing the watch and David told him that he had bought the watch from XYZ shop. Alan quickly returned to XYZ shop and said he wanted to buy the watch. The shop manager said the watch had been sold. Please advise Alan whether he can sue the XYZ shop in the above situation. {10 Marks}
- (b) Jean is a 16 years old girl. She wants to help her mother to open a supermarket in Kenyatta avenue. Please advise her as to what type of contracts she may enter into legally under the law of contract. (10 Marks)

Question 5

- (a) Explain the tort trespass on land and its remedies {14 marks}
- (b) Please write short notes on the following remedies available for breach of contract

- (i) Damages
- (ii) Specific performance
- (iii) Injunction

(6 marks)

Question 6

(a) In the context of the contracts of employment, please explain the duties applicable to :-

- (i) An Employer; and
- (ii) An Employee

(10 marks)

(b) Explain in details of the copyright law of Kenya (10 Marks)

Question 7

(a.) Jack advertised his car for sale for Ksh 300,000 in a local newspaper on 1.2.2018. Tom saw the advertisement and went to Jack's house to give him a cheque for the sum of Ksh250,000 on 3.2.2018. Jack refused to accept the cheque and Tom stated that he would sue Jack for breach of contract. The next day, 4.2.2018, Kevin inspected the car and later wrote to Jack enclosing a cheque for Ksh 300,000 and saying that he would assume the car was his if he did not hear anything from Jack within 3 days. On 5.2.2018, Eric came with Ksh 280,000 in cash to tell Jack that he wanted to buy the car. Jack accepted the money from Eric and allowed Eric to drive away the car. Please advise Jack on his liability in the above situation. (10 marks)

(b) What is misrepresentation and what effect will it have upon the formation of a contract? (10 marks)