



MERU UNIVERSITY OF SCIENCE AND TECHNOLOGY

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University Examinations 2024/2025

SECOND YEAR FIRST SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR OF EDUCATION, BACHELOR OF COMMERCE AND BACHELOR OF PROCUREMENT AND LOGISTIC MANAGEMENT AND BACHELOR OF BUSINESS ADMINISTRATION

BFB 3201: BUSINESS LAW

DATE: JANUARY 2025

TIME: 2 HOURS

INSTRUCTIONS: *Answer question **one** and any other **two** questions*

QUESTION ONE (30 MARKS)

- a) Distinguish between the following terms as used in law;
 - i. Substantive law and procedural law (3 marks)
 - ii. Law and morality (3 marks)
 - iii. Public and Private Law (3 marks)
- b) Describe the remedies for the breach of contract (5 marks)
- c) Explain the statutory provisions relating to the limitation on application of African Customary law by Kenya courts (8 marks)
- d) Briefly explain four approaches of alternative dispute resolution (8 marks)

QUESTION TWO (20 MARKS)

- a) Explain six sources of law in Kenya. (6 marks)

b) What is meant by the expression "contractual capacity"? Illustrate your answer with use of appropriate examples. (4 marks)

c) Annan agreed to paint Angela's house at an agreed price. When Annan had finished the work. Angela discovered that although most of the painting was satisfactory, Annan had forgotten to apply a coat of gloss paint on one of the doors. Annan fell ill and could not complete the work. Angela refused to pay Annan the contractual price, claiming that the contract had not been fully executed and that therefore he was entitled to be paid only a reasonable sum for the work he had actually undertaken. This, Annan claimed, was much less than the contract price. Advise Annan. (6 marks)

d) The tort might be committed on persons, land or goods. With reference to the above statement, describe three types of torts. (4 marks)

QUESTION THREE (20 MARKS)

a) On 20th January 2024, Joseph James entered into a written agreement with Zoa Juma in which Zoa Juma agreed to smuggle some goods into the country for Joseph James by the end of March 2024. Joseph James promptly paid Zoa Juma the agreed consideration of Kshs. 600,000 in full, but Zoa Juma has defaulted on the deal. Joseph James is aggrieved and intends to sue Zoa Juma.

Analyse the legal principles applicable in the above case and advise Joseph James accordingly (8 marks)

b) With reference to the law of persons distinguish a 'corporation' from an 'unincorporated association' (4 marks)

c) Explain why the constitution of Kenya is regarded as the main source of law (8 marks)

QUESTION FOUR (20 MARKS)

a) In relation to the Companies Act, distinguish between a private and public company (6 marks)

b) Raju appointed Kariuki to transport fresh fish from Mombasa to Nairobi. As Kariuki was preparing to leave Mombasa to Nairobi, it rained heavily and the Thange River bridge

was swept off. As a result, Kariuki chartered a flight to Nairobi to deliver the fish as he feared the fish would go bad and he was unable to immediately contact Raju. However, upon arrival in Nairobi and delivery of fish, Raju refused to reimburse Kariuki charges for the flight Kariuki intends to sue Raju. Advise him (8 marks)

c) Explain the differences between criminal and civil offences. (6 marks)

QUESTION FIVE (20 MARKS)

a) Explain the characteristics of a negotiable instrument that qualifies its acceptability for consideration. (10 marks)

b) Discuss the legal functions and jurisdiction of the Supreme Court of Kenya.(6 marks)

c) d) Describe five advantages of using mediation in reaching a settlement in a dispute (4 marks)