

**GARISSA UNIVERSITY**

UNIVERSITY EXAMINATION 2020/2021 ACADEMIC YEAR **ONE FIRST** SEMESTER EXAMINATION

SCHOOL OF BUSINESS AND ECONOMICS

FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT

**COURSE CODE: BBM107e**

**COURSE TITLE: BUSINESS LAW I**

**EXAMINATION DURATION: 2HOURS**

**DATE: TIME:**

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**INSTRUCTION TO CANDIDATES**

* The examination has **THREE (3**) questions
* Question **ONE (1)** is **COMPULSORY**
* Choose any other **TWO (2**) questions from the remaining **FOUR (4)** questions
* Use sketch diagrams to illustrate your answers where necessary
* Do not carry mobile phones or any other written materials in the examination room
* Do not write on this paper

**This paper consists of THREE (3) printed pages *Please turn over***

**QUESTION ONE [30MARKS]**

1. To what extent are the following sources of Kenya Law:-
2. Substance of the common law of England;
3. The doctrines of Equity;
4. Acts of Parliament of the United Kingdom;
5. Decisions of the High Court of Uganda;
6. Islamic Law? **[10Marks]**
7. A wife,**W,**married under the African Christian Marriage and Divorce Act(Cap.151), has been living separately on lawful grounds from her husband,**H**.On what grounds and in which court may **W** apply for her maintenance from **H**? **[4Marks]**
8. Give an account of judicial precedent as a source of law and explain what is meant by ***ratio decidendi*** and ***obiter dictum***. **[6Marks]**
9. Outline the structure of courts of law in Kenya. **[10Marks]**

**QUESTION TWO [20MARKS]**

1. Discuss the general defenses that are available to a defendant in an action in tort. **[14Marks]**
2. What is the meaning of “goods” in the Sale of Goods Act (Cap.31)? **[1Mark]**
3. What are the consequences if a seller delivers to the buyer goods of wrong **(1)** quantity and **(2)** description? **[3Marks]**
4. **B** bought from **P**, the owner of a certain land, the bark of wattle trees growing on the land together with the right to remove it. **P** sold the land to **T** who had knowledge of the sale of wattle bark. **T** resold the land to X without any reference to prior sale of the bark. **X** prevented B from removing the bark. **[2Marks]**

**QUESTION THREE [20MARKS]**

1. On what grounds may a marriage be declared null and void by the High Court under the Matrimonial Causes Act (Cap.152)? **[16Marks]**
2. Explain the differences between a registered company and a partnership? **[4Marks]**

**QUESTION FOUR [20MARKS]**

1. Distinguish between executed, executory and past consideration **[6Marks]**
2. **George** has lent **Mustafa** Sh.5,000 which is due for repayment on 1st April. **George** asks **Mustafa** on 1st March for immediate repayment because he wants to pay a deposit for a piece of land he is buying in Kariobangi. **Mustafa** replies that he has no money. Whereupon **George** promises that if **Mustafa** can give him Sh.4,000 immediately, he would accept the amount in full settlement of the debt. **Mustafa** then pays Shs.4,000. Would **George** be able to sue for the balance of Shs.1,000?**[2Marks]**

(b). In the law of insurance, what is meant by:-

(i). Subrogation **[2Marks]**

(ii). Double Insurance **[2Marks]**

(iii). Indemnity, and **[2Marks]**

(iv). Average clause? **[2Marks]**

(c).

(i). Explain the effect of a provision in an Act of Parliament (1) on an earlier judicial decision with which it is inconsistent :(2) on a provision in the constitution of Kenya Act 1969 with which it is inconsistent. **[2Marks]**

(ii). what is meant by the doctrine of ultra vires in relation to delegated legislation? **[2Marks]**

**QUESTION FIVE [20MARKS]**

1. Define the term “sources of law” **2Marks]**
2. Briefly outline the stages through which an Act of Parliament must pass before it becomes law. Is it correct to state that a law so passed expresses the wish of the people?

**[12Marks**

1. Discuss the extent to which customary law is a source of law in Kenya. **[6Marks]**