



GRETSA UNIVERSITY - THIKA

UNIVERSITY EXAMINATIONS JANUARY - APRIL 2017 SEMESTER

BACHELOR OF COMMERCE

COURSE CODE: BCBA 104

COURSE TITLE: BUSINESS LAW I

DATE: 3 APRIL 2017

TIME: 8.00 AM - 11.00 AM

INSTRUCTIONS TO CANDIDATES

1. SECTION A IS **COMPULSORY**.
2. SECTION B: ANSWER ANY OTHER **THREE** QUESTIONS.
3. **DO NOT** WRITE ANYTHING ON THIS QUESTION PAPER AS IT WILL BE AN EXAM IRREGULARITY.
4. ALL ROUGH WORK SHOULD BE AT THE BACK OF YOUR ANSWER BOOKLET AND CROSSED OUT.

CAUTION: All exam rooms are under CCTV surveillance during the examination period.

SECTION A:

QUESTION ONE:

- a) Lawlessness is like following a mirage. Explain this statement in light of the purposes of the law (12 marks)
- b) Describe the advantages of an act of parliament in relation to making laws as well as the demerits (10 marks)
- c) The memorandum of association regulates the relationship between the business and its outsiders. Explain the clauses of the memorandum of association (12 marks)
- d) Explain the remedies that can be issued by a court upon making a judgement (6 marks)

SECTION B:

QUESTION TWO:

- a) Abel and Mutua went into a contract and they knew that this contract would bring them capital gains. Explain the discharge of contract by frustration (8 marks)
- b) There are many agents that exist in a contract. Explain the agents that are found in the contracts (12 marks)

QUESTION THREE:

- a) The rule protects the owner of the goods against anyone who buys his goods from a person who has sold without his authority. Describe the exceptions to the rule “Nemo Dat quad non Habet”. (14 marks)
- b) The duties of the hirer are not contained in the hire purchase Act, but are usually included in the hire purchase agreement for clarity. Describe his duties (6 marks)

QUESTION FOUR:

- a) The principles of insurance are built up from the ordinary law of contract. Explain the principles of insurance (8 marks)
- b) Explain the fundamental rights and freedoms issued by high courts to individuals (12 marks)

QUESTION FIVE:

- a) Describe the types of endorsement (10 marks)
- b) Discuss the 5 disadvantages of the Kenyan courts in administration of justice (10 marks)