



# **GRE TSA UNIVERSITY - THIKA**

## **UNIVERSITY EXAMINATIONS JAN-APRIL 2025 SEMESTER**

### **BACHELOR OF COMMERCE**

**COURSE CODE: BCBA 104**

**COURSE TITLE: ESSENTIALS OF BUSINESS LAW/BUSINESS  
LAW I**

---

#### **INSTRUCTIONS TO CANDIDATES**

1. SECTION A IS **COMPULSORY**.
2. SECTION B: ANSWER ANY OTHER **TWO** 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: COMPULSORY

### Question One

- a) Defamation is a publication of false statement without lawful jurisdiction making one to be shunned or avoided. Analyze five elements of defamation **(10 Marks)**
- b) Differentiate incorporated with unincorporated types of businesses (10)
- c) Explain three factors that must be considered for an act to amount to trespass to goods: **[5 Marks]**
- d) Explain contractual capacity **[5 Marks]**

## SECTION B: ANSWER ANY TWO QUESTIONS

### Question Two

The Constitution of Kenya is regarded as the supreme law of the land. However, other sources such as judicial precedent, customary law, and statutory law also play a vital role in shaping legal outcomes.

- a) If a conflict arises between customary law and an Act of Parliament, which one prevails? Justify your answer with legal reasoning. **[12Marks]**
- b) How does judicial precedent balance flexibility and consistency in legal decision-making? Should past judicial decisions always be binding? **[ 8 Marks]**

### Question three

- a. Illustrate three situations where joint feasons are jointly and severally liable for the whole damage resorting from a tort. **[10 Marks]**
- b. Suppose the Chief Justice issues a directive that contradicts an existing law passed by Parliament. Can a lower court refuse to follow this directive? Why or why not? **[10 Marks]**

### Question Four

- a) Most torts are based on the fault principle. Differentiate a tort from a crime. **[10 Marks]**
- b) Explain five legal advantages of partnership businesses **[10 Marks]**

### Question five

- a) A businessman writes a **postdated** cheque for goods but, before the cheque is cashed, he transfers all his money to an offshore account, making the cheque **bounce**. The seller reports him for fraud. Explain the legal position of the drawer, drawee and the payee **[10Marks]**

b) Giving examples, explain the meaning of **Partnerships, Hire Purchase, Law of Property, and Sale of Goods** [10 Marks]