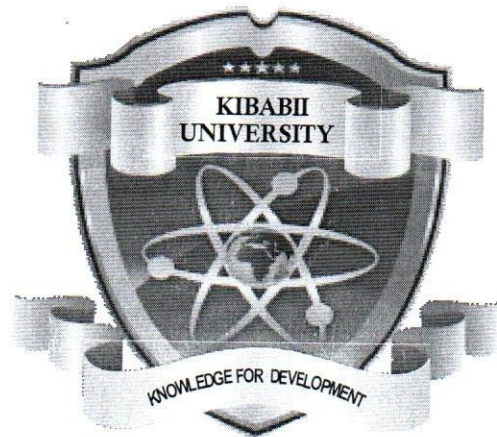


**KIBABII UNIVERSITY**

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**UNIVERSITY MAIN EXAMINATIONS**

**2017/2018 ACADEMIC YEAR**

**FIRST YEAR SECOND SEMESTER**

**FOR THE DEGREE OF MASTER OF BUSINESS  
ADMINISTRATION**

**COURSE CODE: MBA 812**

**COURSE TITLE: BUSINESS LAW**

**DATE: 8/08/2018**

**TIME: 2 – 5 PM**

**INSTRUCTIONS TO CANDIDATES**

**Answer Question ONE (compulsory) and ANY OTHER TWO questions**

### QUESTION ONE

- a) Nelson's next door neighbour, Morgan, went overseas on holiday. One day during his absence, his house caught fire due to an electrical fault. Nelson contacted the fire brigade to assist in extinguishing the fire. He also hired the services of a guard to secure the property until Morgan (who was not contactable) came back from his vacation. Nelson wishes to recover from Morgan an amount of \$3,000 representing the expenses he incurred as a result of the fire incident at Morgan's house. *Required: In relation to the Law of Agency, explain whether Morgan is liable to pay \$3,000 to Nelson and on what basis. (10 marks)*
- b) In relation to the Law of Contract:
- (I) Explain and distinguish between terms and mere representations **(5 marks)**
  - (II) Explain the implied terms of a contract **(5 marks)**
- c) In relation to Business Law, briefly write notes on the following concepts:
- i). Statutory rules relating to frustrated contracts **(5 marks)**
  - ii). Misrepresentation and THREE different types of misrepresentation **(10 marks)**
  - iii). Frustration of a contract **(5 marks)**

### QUESTION TWO

- a) Atieno has been employed as a secretary by a company called Pan Paper Industry Ltd for the last two years. She is also a keen member of a trade union which regulates the paper industry. In January 2016, she went on maternity leave for three months up to the end of March 2016 and, upon her return, she discovered that another employee, Laura, had been transferred from a different department to replace her. Upon Atieno's return to work she was informed that her membership of a trade union was contrary to company policy. In addition, she was told that since her position had been filled whilst she was away on maternity leave, she would now be required to work in another department. *Required: In relation to employment law, explain how Atieno's rights have been violated. (10 marks)*
- b) Explain the ways in which an offer based on the Law of contracts may be terminated **(10 marks)**

### QUESTION THREE

- a) Please write short notes on the following remedies available for breach of contract
- (i) Damages
  - (ii) Specific performance
  - (iii) Injunction **(15 marks)**
- b) The customer banker legal relationship has certain special features. Describe the rights and obligation of a banker **(10 marks)**

#### QUESTION FOUR

- a) In the context of the contracts of employment, please explain the duties applicable to :-
  - (i) An Employer **(5 marks)**; and
  - (ii) An Employee **(5 marks)**
- b) With suitable examples, explain the reasons advanced for arbitration as a mode of settling disputes (10 marks).

#### QUESTION FIVE

- a) Discuss the Legal rules governing consideration as an essential element of a valid contract **(10 marks)**.
- b) Explain how a contract of employment can be terminated **(5 marks)**.
- c) What are the differences between a contract of service and a contract for service? **(5 Marks)**