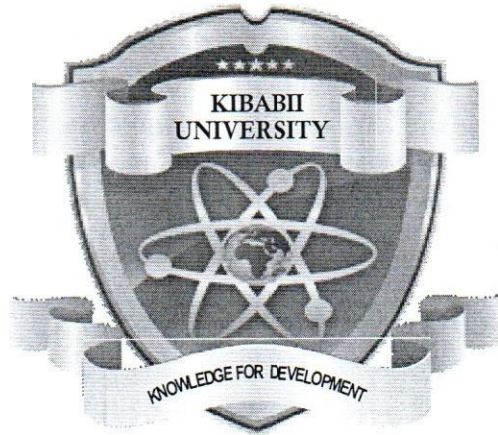


KIBABII UNIVERSITY



**UNIVERSITY EXAMINATIONS
SPECIAL/SUPPLEMENTARY
EXAMINATIONS**

**2017/2018 ACADEMIC YEAR
FIRST YEAR SECOND SEMESTER
FOR THE DEGREE OF BACHELOR OF
COMMERCE**

COURSE CODE: BCB 106

COURSE TITLE: BUSINESS LAW I

DATE: 04/10/18

TIME: 11.30AM – 1.30PM

INSTRUCTIONS TO CANDIDATES

Answer Question ONE (compulsory) and ANY OTHER TWO questions

Q1.

a) Saida planned to stage a big band concert and engaged a number of eminent musicians. She paid each musician 10% of the agreed fee at the time the separate contracts were made. Five days before the concert, Saida was informed that three of the musicians Yvonne, Omar and Mike would not appear. Yvonne could not come as she was bed ridden with acute bronchitis. Omar was unable to attend the concert as his country was engaged in war and Mike could not show up because his fees were not large enough. Saida was concerned and feared that the concert would be a failure. Saida therefore decided to cancel the concert. Saida seeks your advice on her legal rights against the three musicians.

Advise Saida.

(12 marks)

b) Due to Desmond's carelessness in allowing excessive electric current to develop in his generator, the electricity supply to the locality cut after a few hours.

As a result, Derrick's factory was at a standstill during this period and he lost Sh. 50,000 by way of profits from lost production.

Advise Derrick in regard to his rights, if any, against Desmond. (8 marks)

(i) Define the term law in the strict sense of the word. (5 marks)

(ii) Explain purposes of law in Kenya or your country. (5 marks)

(Total: 30 marks)

Q2.

(a) A statute may have a provision whose meaning is not clear. It is then the duty of the court to interpret it. In relation to the above statement, detail the rules that govern such statutory interpretation.

(8 marks)

(b) Distinguish a criminal wrong from a civil wrong. (6 marks)

(c) (i) Explain the meaning of judicial precedent. (2 marks)

(ii) State two forms of judicial precedents. (4 marks)

(Total: 20 marks)

Q3. In relation to the administration of justice and law, in Kenya or your country, explain the composition and jurisdiction of the Resident Magistrate's courts.

(Total: 20 marks)

Q4.

- (a) The law provides for various remedies that are available to a person who has suffered following a breach of contract. Some remedies may be claimed as of right whilst other remedies will depend upon the exercise of discretion by the court. Discuss this statement.

(12 marks)

- (b) Mike is offered and accepts a post of an accountant to start work in three weeks. A week later he receives a letter from his prospective employer stating that his services will not be required.

Advise Mike.

(8 marks)

(Total: 20 marks)

Q5.

- a) Discuss the Elements of a valid contract

(12 marks)

- b) Describe the role of the office of the Supreme Court in Kenya.

(8 marks)

(Total: 20 marks)