

KIBABII UNIVERSITY



UNIVERSITY EXAMINATIONS

**2021/2022 ACADEMIC YEAR
THIRD YEAR SECOND SEMESTER
MAIN EXAMINATION**

**FOR THE DEGREE OF BACHELOR OF COMMERCE
COURSE CODE: BCH 323
COURSE TITLE: LABOUR LAW**

DATE: 19/05/2022

TIME: 9.00AM – 11.00AM

INSTRUCTION TO CANDIDATES

- 1) The paper contains **FIVE** questions
- 2) Attempt **THREE** questions
- 3) Question **ONE** is Compulsory

TIME: 2 Hours

KIBU observes ZERO tolerance to examination cheating

QUESTION ONE

Data Masters is a large privately held company that conducts business in multiple locations in the county of Kisumu. Its annual payroll is Kshs 15 million. Data Masters recently lost a significant customer and has taken 2 cost-saving measures: it eliminated a non essential position, and it decided to temporarily lay off the employees in the data service department at the company's Kondele Square location. The department employed 30 people whose lengths of service ranged from 2 to 4 years.

Evans is the employee whose position has been eliminated. He was asked to leave immediately and was assured that Data Masters would meet all requirements of the Employment Act, 2007. He has also been advised that he may be eligible for severance pay under the Act. Evans is also a member of the Factories and Allied workers union.

Evans had been employed continuously by Data Masters for 11 years, receiving an annual salary of Kshs 600,000 and 4 weeks' annual vacation. He also participated in a comprehensive benefits plan that included short- and long-term disability benefits, health and dental coverage, and life insurance. The benefits plan is provided by a third-party insurance company. Data Masters pays 100% of the premiums associated with the plan. Data Masters employs 6 people in Evans' role- Evans is the only one whose position was eliminated.

- a) Is Evans entitled to severance pay under the Employment Act, 2007? Why? (5 marks)
- b) Data Masters is considering laying off all 30 employees in the data service department at the Kondele Square location for 6 months and then recalling them during the busier period of the year. As the HR manager provide reasons to assist the organization take this action? (6 marks)
- c) Describe the contents of an employment contract. (7 marks)
- d) Describe the importance of implementing ethical practices in an organization. (5 marks)
- e) Explain the types of terminal benefits an employee is entitle to in case of termination of contract. (7 marks)

QUESTION TWO

- a) What are powers and duties of a labour court and how is it constituted. (12 marks)
- b) Define workmen compensation and explain its different kinds. (8 marks)

QUESTION THREE

- a) Explain the FIVE essentials of a valid contract (8 marks)
- b) What is an industrial dispute? Explain its causes and state the methods of settlements for an industrial dispute. (12 marks)

QUESTION FOUR

- a) Explain the causes for accidents in industries. Suggest preventive measures and safety provisions to ensure industrial safety. (10 marks)
- b) Distinguish the following (10 marks)
 - i) Public law and Private law
 - ii) Common law and Equity
 - iii) Substantive law and Procedural aw
 - iv) Criminal law and Civil law
 - v) Written law and Unwritten law