

# KIBABII UNIVERSITY



## UNIVERSITY EXAMINATIONS 2021/2022 ACADEMIC YEAR FIRST YEAR SECOND SEMESTER

### SPECIAL/SUPPLEMENTARY EXAMINATION

### FOR THE DEGREE OF BACHELOR OF COMMERCE

**COURSE CODE: BCO 123**

**COURSE TITLE: BUSINESS LAW 1**

**DATE: 26/07/2022**

**TIME: 8.00 – 10.00AM**

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#### INSTRUCTION TO CANDIDATES

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

**KIBU** observes **ZERO** tolerance to examination cheating

### QUESTION ONE

a) On May 1, 2005, Eldo Ltd. mailed a written offer to Patel & sons Ltd for the sale of an office building. The offer included an express term that it would expire on June 30, 2005 if the acceptance was not delivered into the hands of the offeror by the expiration date. On June 30, 2005 at 8:00 a.m., Patel & sons Ltd sent a written acceptance to Eldo Ltd via Patel & sons Ltd personal messenger. However, the messenger was not able to deliver the acceptance until July 1, 2005. On July 2, 2005, Patel & sons Ltd contacted informing Eldo Ltd that the acceptance had been delivered one day late. As a result, Eldo Ltd refused to honor the acceptance. Patel & sons Ltd brought a law suit against Eldo Ltd

Discuss the the legal issues in this case and advise Patel & sons Ltd (10 marks)

b) Explain reasons for the Discharge of a contract [10 marks]

c) The Management of Carnivore Restaurant, want to have a grand celebration for its 25th convocation. They entered into a contract with Another, a famous singer to perform for two hours nightly for three nights during the said celebration. If Akothee fulfils her contract, she will receive a sum of kshs 250000. During the celebration, Akothee lost her voice and could only perform for three (3) hours only.

Required; Based on the facts given above, please solve the stated problems according to the provisions of applicable statute and by stating the legal rights and liabilities of each party involved. [10 marks]

### QUESTION TWO

a) Don was negligently driving south on Haile Sellasie Avenue, Nairobi, when his car rear-ended a car driven by Patty. The force of the impact forced Patty to rear-end Terry's car. In turn, the force of the second impact caused Terry's car to hit a lamppost, which then fell on a house owned by Paul. The force of the impact scared Paul, causing him to immediately have a heart attack. Paul's kinsmen sues Don negligence.

Required; Using the provisions of applicable statute discuss this case and give your verdict [10 marks]

b) Explain the structure and court system in Kenya [10 marks]

### QUESTION THREE

a) Explain the following maxims of law ;

- i. Ratio Decidendi
- ii. Stare Decicis

(8 marks)



- b) Discuss the punishments provided under the penal code of Kenya for a crime committed. (12 marks)

#### **QUESTION FOUR**

- a) Outline and explain the stages under which a bill goes through before it becomes a law. [10 marks]
- b) Explain the distinctions between a partnership firm and a company. (10 marks)

#### **QUESTION FIVE**

- a) The plaintiff was employed by a railway company to drill holes in a rock, near a crane, operated by men employed by the railway company. The crane lifted stones and at times swung them over the plaintiff's head without warning. The plaintiff was fully aware of the danger he was exposed to by working near the crane. One time, a stone fell off the crane and injured the plaintiff. He intends to sue the employer.

Required; Discuss the case facts, legal facts and verdict for this case. (10 marks)

- (b) Explain the contribution of the courts of law to justice and social order in a country. (10 marks)