



**UNIVERSITY EXAMINATIONS
SPECIAL/SUPPLEMENTARY EXAMINATION
2020/2021 ACADEMIC YEAR
SECOND YEAR FIRST SEMESTER
FOR THE DEGREE OF MASTER OF BUSINESS
ADMINISTRATION**

COURSE CODE: MBA 812

COURSE TITLE: BUSINESS LAW

DATE: 17/01/2022

TIME: 8.00AM – 11.00AM

INSTRUCTIONS TO CANDIDATES

Answer Question ONE (compulsory) and ANY OTHER THREE Questions

QUESTION ONE

- a) Moses purchased a motor vehicle from Alison Motors Ltd. under a hire purchase agreement at a cost of Sh.2,000,000 payable in twelve installments. After paying six installments, he gave the car to his wife Isaby Ogeto as a gift. The following month, their relationship became strained and Moses moved out of the matrimonial home taking the car with him. Isaby Ogeto feels aggrieved and has come to you with mandatory instructions to file a case against Moses for recovery of the car. Identify the legal principles applicable in the above case and advise Isaby Ogeto.

(8 Marks)

- b) Distinguish between a "contract of insurance" and a "wagering contract" (6 Marks)
- c) Discuss with examples, the various ways by which a valid contract may be terminated by frustration (8 Marks)
- d) Discuss six rules governing presentment for payment of a bill of exchange. (6 Marks)
- e) In relation to the law of property, describe five characteristics of a copyright (5 Marks)
- f) Discuss the doctrine of "caveat emptor", as used in the context of the law governing sale of goods. (7 Marks)

QUESTION TWO

- a) With the use of appropriate examples, discuss four circumstances under which African customary law may be used as a source of law (8 Marks)
- b) In its supervisory jurisdiction and civil jurisdiction, the high court can grant remedies that ensure the enjoyment of fundamental rights by individuals. Identify six remedies that may be granted by the high court to enforce the enjoyment of fundamental rights and freedoms of citizens. (12 Marks)

QUESTION THREE

- a) With reference to unincorporated associations in the law of persons:- (4 Marks)
- (i) Explain the salient features of a limited partnership. (4 Marks)
- (ii) Outline the duties of a general partner in a limited partnership. (4 Marks)
- b) Peter Matu, who is 80 years old, is a partner in a manufacturing firm. He intends to transfer his shares to his daughter Mary Kinga but he does not know the rights of an assignee in a partnership. Advise Peter Matu on the rights and obligations that Mary Kinga would accrue as an assignee (12 Marks)

QUESTION FOUR

- a) In relation to the law of torts, explain the rule "Res Ipsa Loquitur"

(8 Marks)

- b) Roy Keen recently bought the car of his dreams, a BMW X 6 models. In a bid to show his friends how fast the car was, Roy Keen dashed off at a speed of one hundred kilometers per hour within the estate. The car lost control and crashed into a school van carrying pupils killing three of them on the spot. Roy Keen also perished in the accident. The parents of the three deceased pupils intend to sue the administrators of Roy Keen's estate.

Required: Identify the legal principles applicable in the above case and advise the parents of the deceased pupils. (12 Marks)

QUESTION FIVE

- a) A person who is a party to a contract is said to be privy to the contract and can benefit from it or have obligations imposed on him by it. He is also the only person who can sue or be sued under the contract.

Required: Discuss the exceptions to this doctrine. (4 Marks)

- b) The literal translation of the rule 'nemodat quad non habet' is that no one can give what he has not. However, there are exceptions to this rule. Discuss the exceptions to the nemodat rule (4

Marks)

- c) Jasmin Mrongo, an accounts clerk at Cautious Company Ltd., prepared a cheque for Peter Kraft's signature. Peter Kraft was not a duly authorised signatory of Cautious Company Ltd. The amount on the cheque appeared in figures as Sh.5,000 but was not written in words. Peter Kraft signed the cheque and gave it to Jasmin Mrongo who secretly altered the amount to read Sh.95,000 and also wrote "ninety five thousand shillings" in words. Jasmin Mrongo then encashed the cheque at Mzalendo Bank, the company's bank. Jasmin Mrongo gave Peter Kraft Sh.5,000 and retained Sh.90,000 which she used to purchase a plot. Cautious Company Ltd. has discovered the above facts and intends to sue Mzalendo Bank for negligence. Analyse the legal principles applicable in the above case and advise Cautious Company Ltd. (12 Marks)