



UNIVERSITY EXAMINATIONS
MAIN EXAM
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: 02/08/2021

TIME: 2.00PM-5.00PM

INSTRUCTIONS TO CANDIDATES

- 1) Answer Question **ONE**(Compulsory) and **ANY OTHER THREE** Questions
 - 2) Candidates must hand in their answer booklets to the invigilator while in the examination room
 - 3) Credit is given for legibility, clarity and use of relevant examples
 - 4) Question **ONE** is **40 marks** while Questions **2-5** carry **20 marks** each
 - 5) Clearly write your **Registration Number** on each answer sheet used
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TIME: 3 Hours

KIBU observes ZERO tolerance to examination cheating

QUESTION ONE

- a) Describe four remedies available to a plaintiff in a civil action (8 Marks)
- b) One of the most significant shortcomings of the common law that led to the development of equity was inadequate remedies. As a result, many plaintiffs were left out; however, equity increased the remedies. With reference to the above statement discuss five equitable remedies (10 Marks)
- c) 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. (4 Marks)
- d) Discuss four circumstances under which the government might not be held liable in tort (8 Marks)
- e) 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. Discuss the exceptions to this doctrine (6 Marks)
- f) Summarise four rules governing the transfer of property in goods. (4 Marks)

QUESTION TWO

- a) Matende Juma was employed by Marion Kaveza to sell her piece of land situated in Nazarede Town at 10% commission. Norah Muhonja, a prospective buyer promised to pay Matende Juma Sh.50,000 in addition to the purchase price of Sh.500,000 if he agreed to reserve the land for her as she raised the purchase price. Matende Juma reserved the land for Norah Muhonja ignoring Timothy Kyalo, another buyer who offered to buy the same land for Sh.600,000 all of which he wanted paid directly to Marion Kaveza, the land owner. After three months, Norah Muhonja paid Sh.500,000 for the land and gave Matende Juma the Sh.50,000 she had promised. Marion Kaveza eventually transferred the land to Norah Muhonja but later discovered that Matende Juma had received Sh.50,000 from Norah Muhonja and that Timothy Kyalo had offered to pay a higher price for the land. Analyse the legal principles applicable in the above case and advise Marion Kaveza who intends to sue Matende Juma (12 Marks)
- b) Explain four ways in which an agency relationship would be terminated by action of the parties (8 Marks)

QUESTION THREE

- a) Where goods have been let under a hire-purchase agreement and two-thirds of the hire purchase price has been paid the owner shall not enforce any right to recover possession of the goods from the hirer otherwise than by suit. Explain three consequences of contravention of the above provision by the owner (10 Marks)

- b) Discuss five provisions which govern termination of a hire purchase agreement by the hirer (10 Marks)

QUESTION FOUR

- a) Where the assured is so situated that the happening of the event of which the insurance money is to become payable would, as approximate cause, involve the assured in the loss or diminution of any right recognized by law, or in any legal liability, there is an insurable interest in the happening of that event to the extent of the possible loss or liability. Describe six classes of persons who are deemed to have an insurable interest in a subject matter of insurance (12 Marks)
- b) Identify and briefly explain four principles of insurance (8 Marks)

QUESTION FIVE

- a) Discuss six rules governing presentment for payment of a bill of exchange (12 Marks)
- b) In relation to Law of Property, explain four advantages of registering an "invention" in the context of intellectual property (8 Marks)