



GARISSA UNIVERSITY

**UNIVERSITY EXAMINATION 2017/2018 ACADEMIC YEAR ONE
FIRST SEMESTER EXAMINATION**

SCHOOL OF BUSINESS AND ECONOMICS

FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT

COURSE CODE: BBM 107

COURSE TITLE: BUSINESS LAW I

EXAMINATION DURATION: 3 HOURS

DATE: 07/12/17

TIME: 2.00-5.00 PM

INSTRUCTION TO CANDIDATES

- The examination has SIX (6) questions
- Question ONE (1) is COMPULSORY
- Choose any other THREE (3) questions from the remaining FIVE (5) questions
- Use sketch diagrams to illustrate your answer whenever necessary
- Do not carry mobile phones or any other written materials in examination room
- Do not write on this paper

This paper consists of THREE (3) printed pages

please turn over



QUESTION ONE (COMPULSORY)

- (a) On Tuesday, Habiba received a written offer from Aisha for the sale of Aisha's laptop for Kshs.63,000. On Wednesday, Habiba posted a letter of acceptance and on the same day, Aisha posted a letter revoking her offer and announcing that she had sold the laptop to Samsha. Habiba's letter of acceptance reached Aisha on Saturday while Aisha's letter of revocation reached Habiba on Thursday. Explain the legal position. **[8 marks]**
- (b) "Trespass by cattle of a person is treated as if the person has committed the trespass and thus liable for the act of his cattle. Discuss the main defenses in trespass to land **[5 marks]**
- (c) Discuss the circumstances in respect to minors, when are contracts void, voidable and binding **[6 marks]**
- (d) Write brief notes on the following terms as used in employment contracts
- i. Apprenticeship Contracts **[2 marks]**
 - ii. Casual Employment and Piecework employment **[2 marks]**
 - iii. Probation **[2 marks]**

QUESTION TWO

- (a) "Farouk built a reservoir on his land for the purpose of supplying water to his mill. The site was a disused coalmine, with passages connecting to the adjoining mine that belonged to the Fatuz. The defendant did not know this, so when his reservoir filled up the water escaped through the passages and flooded the plaintiff's coalmines causing extensive damage.
- i. Give a ruling for this case **[2 marks]**
 - ii. Discuss the limitations of this ruling **[3 marks]**
- (b) What is the position as to vicarious liability where the following relationship exist
- i. Master and servant **[2 marks]**
 - ii. Employer and independent contractor **[2 marks]**
- (c) Discuss the main elements of negligence by giving an example **[6 marks]**



QUESTION THREE

- (a) For an acceptance to be valid ,it must be communicated, Comment, citing a case [7 marks]
- (b) In what circumstances will a contract be discharged through frustration [8 marks]

QUESTION FOUR

- (a) Briefly discuss the advantages and disadvantages of arbitration [8 marks]
- (b) Write short notes on
- i. Testate Succession [3 marks]
 - ii. Intestacy [4 marks]

QUESTION FIVE

- (a) What do you understand by the following [2 marks]
- i. Criminal Law
 - ii. Civil Wrong
- (b) Discuss the ways in which a contract can be terminated by agreement [4 marks]
- (c) What is the legal significance in the law of contract of the following
- i. An invitation to treat
 - ii. Counter Offer
 - iii. The postal rule for acceptance of offer [9 marks]

QUESTION SIX

- (a) Write short notes on the following:
- i. Unliquidated damages [2 marks]
 - ii. *Res ipsa loquitor* [2 marks]
 - iii. Volenti non fit Injuria [2 marks]
 - iv. *Nemo dat quod non-habet* [2 marks]
 - v. *Voidable contracts* [2 marks]
- (b) The duty in tort is on persons generally and is not limited to contracting parties. Discuss the functions of the law of tort [5 marks]

