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**GARISSA UNIVERSITY**

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

**THIRD 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: 09/08/18 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 TWO (2) printed pages *please turn over***

**QUESTION ONE (COMPULSORY)**

1. 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]**
2. *“T*respass 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 tress pass to land **[5 marks]**
3. Highlight six (6) Essentials of a Valid Contract **[6 marks]**
4. Distinguish the following;
5. Executed contracts and Executory contracts [**2 marks]**
6. Contracts of uberimae fidei and Simple contracts **[2 marks]**
7. Invitation to treat and Declaration of intention [**2 marks]**

**QUESTION TWO**

1. What do you understand by the following **[2 marks]**
2. Criminal Law
3. Civil Wrong
4. Discuss the ways in which a contract can be terminated by agreement **[4 marks]**
5. Define the term ‘Malice’ **[1 mark]**
6. Discuss four (4) principles of insurance **[8 marks]**

**QUESTION THREE**

1. Define the term ‘Malice’ **[1 mark]**
2. Differentiate between Tort & Breach of contract **[8 marks]**
3. Discuss the three elements of Tort **[6 marks]**

**QUESTION FOUR**

1. Elaborate ways through which an agency relationship can be brought to an end [**10 marks]**
2. Explain five rights of an agent to his principal. **[5 marks]**

**QUESTION FIVE**

1. Discuss four differences between offer and acceptance  **[8 marks]**
2. Highlight four Similarities between offer and acceptance **[4 marks]**
3. Basically there are three types of consideration under the law of contract, outline them: **[3 marks]**

**QUESTION SIX**

1. Write short notes on the following:
2. Unliquidated damages **[2 marks]**
3. *Res ipsaloquitor*  **[2 marks]**
4. Volenti non fit Injuria  **[2 marks]**
5. *Nemodat quod non-habet* **[2 marks]**
6. *Voidable contracts*  **[2 marks]**
7. 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]**