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**GARISSA UNIVERSITY**

**UNIVERSITY EXAMINATION 2018/2019 ACADEMIC YEARONE**

**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: 2 HOURS**

**DATE: 28/11/18 TIME: 09.00-11.00 AM**

**INSTRUCTION TO CANDIDATES**

* **The examination has FIVE(5) questions**
* **Question ONE (1) is COMPULSORY**
* **Choose any other TWO (2) questions from the remaining FOUR(4) 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)**

1. “Aden 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 Aden. 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.
2. Give a ruling for this case  **[2 marks]**
3. Discuss the limitations of this ruling **[3 marks]** Critically elucidate four main discharge of negotiable instrument**s [8 marks]**
4. Highlight six (6) Essentials of a Valid Contract  **[6 marks]**
5. Distinguish the following;
6. Express contracts and implied contracts [**2 marks]**
7. Contracts of uberimae fidei and voidable contract **[3 marks]**
8. Invitation to treat and declaration of intention [**3 marks]**
9. Law and Morality **[3 marks]**

**QUESTION TWO**

1. Contract of sale of goods are distinguished from other transactions, discuss **[6 marks]**
2. Differentiate between Tort & Breach of contract **[8 marks]**
3. Discuss the three elements of Tort **[6 marks]**

**QUESTION THREE**

1. Write short notes on the following:
2. Unliquidated damages **[2 marks]**
3. *Res ipsa loquitor*  **[2 marks]**
4. Volenti non fit Injuria  **[2 marks]**
5. *Nemo dat quod non-habet* **[2 marks]**
6. *De minimis Non Curat lex*  **[2 marks]**
7. Elaborate ways through which an agency relationship can be brought to an end [**10 marks]**

**QUESTION FOUR**

1. What is a Contract of Insurance  **[2 marks]**
2. Discuss four (4) principles of insurance contract **[8 marks]**
3. Outline five ways in which a contract may come to an end **[5 marks]**
4. Explain five rights of an agent to his principal. **[5 marks]**

**QUESTION FIVE**

1. Differentiate between Enforceable contracts and Unenforceable contract **[2 marks]**
2. Highlight three (3) general defenses in tort **[3 marks]**
3. 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]**
4. Discuss five (5) types of Offer  **[10 marks]**