



## GARISSA UNIVERSITY

### UNIVERSITY EXAMINATION **2016/2017** ACADEMIC YEAR **ONE** **FIRST** SEMESTER EXAMINATION

SCHOOL OF BUSINESS AND ECONOMICS

FOR THE DIPLOMA BUSINESS MANAGEMENT

COURSE CODE: DBM 011

COURSE TITLE: BUSINESS LAW

EXAMINATION DURATION: 3 HOURS

**DATE: 01/12/17**

**TIME: 2.00-5.00 PM**

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#### 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)**

- (a) Define the term “Law” and state the main purpose of Law. **[7 marks]**
- (b) Distinguish the following;
- i. A valid contract and Avoidable contract **[3 marks]**
  - ii. Invitation to treat and Declaration of intention **[3 marks]**
  - iii. Substantive Law and Procedural Law **[2 marks]**
  - iv. Offer and acceptance **[4 marks]**
- (c) Identify the rules which govern the doctrine of consideration. **[6 marks]**

**QUESTION TWO**

- (a) Differentiate between the following types of Contracts:-
- i. Bilateral and Unilateral contracts **[2 marks]**
  - ii. Express and Implied contracts **[2 marks]**
  - iii. Formal and Informal contracts **[2 marks]**
- (b) List and explain the various sources of Kenya Law **[4 marks]**
- (c) Discuss the various ways in which an offer can be terminated **[5 marks]**

**QUESTION THREE**

- (a) Discuss ways through which an agency relationship can be brought to an end **[10 marks]**
- (b) Explain the duties of an agent to his principal. **[5 marks]**

**QUESTION FOUR**

- (a) State and explain five types of offer. **[10 marks]**
- (b) State five essential of a valid contract **[5 marks]**

**QUESTION FIVE**

- (a) Define the meaning of a tort and explain four functions of the law of tort. **[9 marks]**
- (b) State and discuss the three (3) Defenses to the Rule in Ryland’s-vs- Fletcher **[6 marks]**

**QUESTION SIX**

- (a) Discuss the ways which a contracts may be discharged or terminated **[10 marks]**
- (b) Outline five persons who are not entitled for a contract as per the law **[5 marks]**

