



GARISSA UNIVERSITY

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

SCHOOL OF BUSINESS & ECONOMICS

FOR THE DIPLOMA IN BUSINESS MANAGEMENT

COURSE CODE: DBM 11

COURSE TITLE: INTRODUCTION TO BUSINESS LAW

EXAMINATION DURATION: 3 HOURS

DATE: 10/04/18

TIME: 09.00-12.00 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)

- (a) Define the term “Law” and state the main purpose of Law. [7 marks]
- (b) Highlight six (6) Essentials of a Valid Contract [6 marks]
- (c) Distinguish the following;
- i. Executed contracts and Executory contracts [2 marks]
 - ii. Contracts of uberimae fidei and Simple contracts [3 marks]
 - iii. Invitation to treat and Declaration of intention [3 marks]
 - iv. Counter offer and Cross offer [2 marks]
 - v. Single offer and Conditional Offer [2 marks]
- (d) Discuss the exemptions to the rule of past consideration [6 marks]

QUESTION TWO

- (a) Define the term ‘Malice’ [1 mark]
- (b) Differentiate between Tort & Breach of contract [8 marks]
- (c) Discuss the three elements of Tort [6 marks]

QUESTION THREE

- (a) Elaborate ways through which an agency relationship can be brought to an end [10 marks]
- (b) Explain five rights of an agent to his principal. [5 marks]

QUESTION FOUR

- (a) What is a Contract of Insurance [2 marks]
- (b) Discuss four (4) principles of insurance [8 marks]
- (c) Outline the ways in which a contract may come to an end [5 marks]

QUESTION FIVE

- (a) Explain five (5) types of Agency [10 marks]
- (b) Differentiate between Enforceable contracts and Unenforceable contract [2 marks]
- (c) Highlight three (3) general defenses in tort [3 marks]

QUESTION SIX

- (a) Discuss four differences between offer and acceptance [8 marks]
- (b) Highlight four similarities between offer and acceptance [4 marks]
- (c) Basically there are three types of consideration under the law of contract, outline them [3 marks]

