



## GARISSA UNIVERSITY

UNIVERSITY EXAMINATION **2016/2017** ACADEMIC YEAR **ONE**  
**SECOND** SEMESTER EXAMINATION

**SUPPLEMENTARY/SPECIAL EXAMINATION**

SCHOOL OF BUSINESS AND ECONOMICS

FOR THE DIPLOMA BUSINESS MANAGEMENT

COURSE CODE: DBM 11

COURSE TITLE: BUSINESS LAW

EXAMINATION DURATION: 3 HOURS

**DATE: 23/03/18**

**TIME: 09.00-12.00 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) 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 THREE

- (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]

### QUESTION FOUR

- (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 FIVE

- (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 SIX

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

