



# **MURANGA UNIVERSITY COLLEGE**

(A constituent College of Jomo Kenyatta University of Agriculture & Technology)

**MAIN CAMPUS**

**SUPPLEMENTARY/SPECIAL UNIVERSITY EXAMINATIONS**

**2014/2015 ACADEMIC YEAR**

**SECOND YEAR THIRD SEMESTER EXAMINATIONS**

**FOR THE DIPLOMA BUSINESS MANAGEMENT.**

**COURSE CODE: DBA1211**

**COURSE TITLE: BUSINESS LAW**

**DATE:**

**TIME: 2HOURS**

**INSTRUCTIONS TO CANDIDATES**

- 1) Question **one** is compulsory
- 2) Attempt any other **two** questions

### **QUESTION ONE**

(a) In relation to the law of tort, explain what is meant by the following:

(i) Private nuisance. **(3 marks)**

(ii) Public nuisance. **(3 marks)**

(iii) Giving examples outline the circumstances when a private individual may sue on his own behalf for public nuisance. **(4 marks)**

c) Explain five matters under African customary law **(5mks)**

b) Highlight five forms of insurance **(5mks)**

### **QUESTION TWO**

a) i) Explain the meaning of the term 'arbitration'. **(4 marks)**

ii) Explain FIVE advantages of arbitration as a form of settlement of disputes over the court process. **(10 marks)**

b) Highlight the rule that govern the capacities of parties to enter into legally binding contracts. **(6 marks)**

### **QUESTION THREE**

a) Explain the evolution of the doctrine of equity, indicating its contribution to the legal system of your country. **(10 marks)**

(b) Write explanatory notes on the following:

(i) Supremacy of the constitution. **(3 marks)**

(ii) The rule of law. **(3 marks)**

(c) Identify the factors that may undermine the rule of law in a country. **(4 marks)**

(Total: 20 marks)

### **QUESTION FOUR**

(a) Outline the ways in which a bill of exchange may be discharged. **(6 marks)**

(b) Outline the characteristics of a promissory note. **(6 marks)**

(c) Explain the various forms of a qualified acceptance of a bill of exchange. **(8 marks)**

**(Total: 20 marks)**

### **QUESTION FOUR**

a) Explain four conditions which are implied in every contract covered by the sale of goods Act. **(8 marks)**

b) Analyse two circumstances under which a seller's right of lien might be terminated. **(4 marks)**

c) Any person who has been appointed to represent another in dealings with third parties is an agent. There are however persons who regularly act for others in business transactions as professional agents. Discuss four examples of professional agents. **(8 marks)**