PAC UNIVERSITY

BCM209/BIT211/BUS2223: BUSINESS LAW ONLINE EXAM

DATE: WEDNESDAY APRIL 2025 TIME: 6.00-9.00P.M.

ANSWER QUESTION ONE AND ANY OTHER THREE QUESTIONS

QUESTION 1 COMPULSORY (10 MARKS)

Read the case below and answer the questions that follow

"The Inheritance Dispute"

John, a wealthy businessman, dies intestate. He is survived by his wife, Mary, and two children, David and Sarah. John also has a child from a previous relationship, Michael, whom he had not seen for many years and did not acknowledge in any way before his death. Under the laws of succession in this jurisdiction, there is need to define who is entitled to inherit John's estate.

(a) Identify **TWO** different categories of "persons" relevant to this case. **(2 Marks)**

(b) Explain the concept of "intestacy" and its significance in this case. **(4 Marks)**

(c) Discuss how the laws of succession is applicable case considering the different family relationships. **(4 Marks)**

QUESTION 2 (10 MARKS)

(a) During a recent conference held at the Bomas of Kenya, the keynote speaker remarked that there are a number of factors that have undermined the rule of law in Kenya. Explain any **TWO** of such factors.

(4 Marks)

(b) Jude and Peter formed a partnership but after 1 year it was dissolved. Discuss **THREE** causes of the dissolution of the business. **(6 Marks)**

QUESTION 3 ***(10 MARKS)***

(a) James, a contractor, entered into a contract with JML Construction Company. The company later on breached the agreement. Based on this statement, discuss **TWO** remedies that are available for a breach of a contract.
(4 Marks)

(b) (i) Define the term agency; **(2 Marks)**

(ii) Explain the relationship between a principal and an agent. **(4 Marks)**

QUESTION 4 ***(10 MARKS)***

Read the case study below and answer the questions that follow.

"TechForward Inc."

TechForward Inc. is a technology startup that has developed a groundbreaking AI-powered software for optimizing supply chains. The company is experiencing rapid growth and is considering going public (IPO) to raise capital for expansion. However, they are also facing some challenges:

- **Competition:** Larger, established tech companies are developing similar software, creating intense competition.
- **Funding:** They need significant capital to scale their operations and compete effectively.
- **Intellectual Property:** Protecting their AI technology is crucial.
- **Liability:** They are concerned about potential liability related to data breaches or software malfunctions.

(a) Outline (i) **TWO** advantages **(2 Marks)**

(ii) and **TWO** disadvantages of TechForward Inc. becoming a publicly traded corporation. **(2 Marks)**

(b) Explain **TWO** steps that TechForward Inc. should take to protect its intellectual property. **(4 Marks)**

(c) Discuss how TechForward Inc. can mitigate the potential liability related to data breaches or software malfunctions. **(2 Marks)**

QUESTION 5 ***(10 MARKS)***

(a) Explain with relevant examples, the concept of judicial precedent in the Kenyan court system.
(4 Marks)

(b) Metrix attended a lecture dubbed ***Sources of Laws in Kenya***. Explain any **THREE** such sources that were discussed. **(6 Marks)**

QUESTION 6 ***(10 MARKS)***

(a) Differentiate between negligence and intentional torts and provide relevant examples for each. **(4 Marks)**

(b) Mambo is in the process of preparing a will. Explain any **THREE** essential elements of a valid will. **(6 Marks)**

End of Exam