



BCM209: PRINCIPLES OF BUSINESS LAW

ONLINE CLASS

Instructions

- i) This exam paper contains SIX questions containing 10 marks each.**
- ii) Answer Question 1 (COMPULSORY) and any other THREE questions**
- iii) Read each question carefully before attempting.**

QUESTION ONE

- a) Ali and Bob graduated from Kenyatta University in 2010. Ali set up a mobile phone business in Nairobi. Bob established a poultry business in Kisumu. As part of his strategy to develop his business, Bob has contracted farmers who rear chicken and supply him with eggs which he sells in Nairobi. In January 2011, Bob expressed an intention to acquire several pieces of cell phones from Ali to be supplied to the farmers for ease of communication. Ali informed him that he could avail them for Ksh. 5,000 apiece. On 2nd February Bob did text Ali on his cell phone and stated that he would be willing to purchase the phones at the stated price. Ali's phone was stolen just before the message was received. In the meantime, not having heard from Bob he sold the phones to Chali.
 - i. Advice Bob on the legal rights, if any, that he may have against Ali and Chali. (4 Marks).
 - ii. Discuss two remedies available where breach of contract is proved (4 Marks).
- b) Using an example, distinguish between law and morality (2 Marks).

QUESTION TWO

- a) Under supervisory jurisdiction, the High Court has jurisdiction to supervise the administration of justice in subordinate courts and tribunals. Explain the following writs that the High Court can order under supervisory jurisdiction:
- i. Certiorari (2 Marks).
 - ii. Mandamus (2 Marks).
 - iii. Habeas corpus (2 Marks).
- b) Explain two ways in which to make the law-making process effective in Kenya (4 Marks).

QUESTION THREE

- a) Explain two conditions which African Customary Law, Muslim Law, Common Law, and Equity law must satisfy before they are recognized as a source law in Kenya (4 Marks).
- b) Discuss three contents of a memorandum of association (6 Marks).

QUESTION FOUR

- a) Discuss two disadvantages of a private company over a public company (4 Marks).
- b) Explain three functions of the Chief Justice in Kenya (6 Marks).

QUESTION FIVE

- a) Discuss two types of domicile that are recognized in Kenya (4 Marks).
- b) A is a Principal while B is an agent in the insurance business. Discuss three ways in which an agency relationship would come to an end between A and B (6 Marks).

QUESTION SIX

- a) Citing a relevant example, distinguish between a tort and a crime as used in law

(4 Marks).

- b) A 'will' is the legal declaration by a person of his wishes or intentions regarding the disposition of his property after his death, duly made and executed according to the provisions of Succession law (CAP 160) laws of Kenya. However the law provides that no written will shall be valid unless certain conditions are met. Discuss three such conditions necessary for a written will to be valid

(6

Marks).