



*(University of Choice)*

**MASINDE MULIRO UNIVERSITY OF SCIENCE AND  
TECHNOLOGY (MMUST)**

**UNIVERSITY EXAMINATIONS**

**2021/2022 ACADEMIC YEAR**

**FIRST YEAR SECOND SEMESTER MAIN EXAMINATIONS**

**FOR THE DEGREE**

**OF BACHELOR OF COMMERCE**

**COURSE CODE: BCB 106**

**COURSE TITLE: BUSINESS LAW**

**DATE: THURSDAY, 28<sup>TH</sup> JULY 2022**

**TIME: 2:00 – 4:00PM**

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**INSTRUCTIONS TO CANDIDATES**

- 1. ANSWER QUESTION ONE AND ANY OTHER TWO QUESTIONS**
- 2. DO NOT WRITE ANYTHING ON THE QUESTION PAPER**

**TIME: 2 HOURS**

MMUST observes ZERO tolerance to examination cheating ►

This Paper Consists of 2 Printed Pages. Please Turn Over.

## QUESTION ONE

### City to close noisy churches

“Illegal churches in south African city of Johannesburg causing disturbances to neighbours are to be closed down this festive season, South Africa’s LOI reports. A complaint was made that the city had more problems with churches than with drinking dens....”(BBC)Sunday November 25<sup>th</sup> 2018 The standard.

- a. What tort has been committed in the instant case? Justify. (2 marks)
- b. Other than closing the churches, explain other remedies that may be granted if the above mentioned tort is committed. (3 marks)
- c. Explain ways of acquiring citizenship in Kenya. (5 marks)
- d. Sources of law may mean origin of law, factors that have influenced the development of law or the materials from which we get the law. State and explain five sources of law. (10 marks)
- e. S.2 of the Hire purchase Act provides that a "hire-purchase agreement" means "an agreement for the bailment of good under which the bailee may buy the goods or under which the property in the goods will or may pass to the bailee". Being a hirer, demonstrate your duties (5 marks)
- f. Describe the jurisdiction of the High court of Kenya. (5 marks)

## QUESTION TWO

- a. Discuss ways in which agency relation may come to an end. (10 marks)
- b. In relation to sale of goods explain five rights available to an unpaid seller. (10 marks)

## QUESTION THREE

- a. A, B and C were partners in a firm. By his wilful neglect and misconduct B caused serious loss to the business of the firm. After several warnings to B, A and C passed a resolution expelling B from the firm. B objects to his expulsion. Is he legally entitled to do so? (2 marks)
- b. Assuming B was to be expelled explain the legal provisions governing expulsion of a partner (4 marks)
- c. Identify and explain seven rights of a partner. (14 marks)

## QUESTION FOUR

- a. Elaborate on five forms of employment relationships. (10 marks)
- b. Distinguish between wrongful dismissal and summary dismissal and highlight the grounds for summary dismissal. (6 marks)
- c. Explain the circumstances when a banker may refuse to honor a customer’s cheque. (4 marks)

## QUESTION FIVE

a. A contract is an agreement enforceable at law. Describe five essentials of a valid contract.

(10 marks)

b. All contracts are agreements but all agreements are not contracts. Explain with the aid of illustrations. (4 marks)

c. Phelicia took a loan from Brevil microfinance so that she could pursue further studies. She gave out her title deed as security for the loan. She began to repay the loan but subsequently defaulted. The microfinance institution has approached you as a consultant to advise them on the remedies available to them. Explain. (8 marks)

