



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

MAIN CAMPUS

UNIVERSITY EXAMINATIONS

2021/2022 ACADEMIC YEAR

**SECOND YEAR SECOND SEMESTER
SPECIAL/SUPPLEMENTARY EXAMINATIONS**

FOR THE DEGREE

**OF
BACHELOR OF SCIENCE IN ECONOMICS**

COURSE CODE: ECO 208

COURSE TITLE: LEGAL SYSTEMS AND METHODS

DATE: FRIDAY, 5TH AUGUST 2022 TIME: 2:00 - 4:00PM

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

a. Alexia and his friends formed a company in Ngong area which was to operate as a manufacturing company. Members of the community who lived around that area were quite disturbed due to the lead that was released by the factory into a river which made the water be unfit for basic use. Further several persons suffered from certain ailments due to the lead.

These people have approached you as a consultant to advise them on the following

- i. Explain to them the legal issue in the case (2 marks)
- ii. Describe the remedies available to them (8 marks)
- b. The term consideration is used in the sense of 'quid pro quo' or 'something in return'. Explain the legal rules governing consideration (5 marks)
- c. When can, or should, a court refrain from following a binding precedent? (5 marks)
- d. Explain ways in which independence of the judiciary may be attained. (4 marks)
- e. Examine the benefits of arbitration (6 marks)

QUESTION TWO

a. Jack entered into a contract with Nelly whereby Jack was to introduce Nelly to Roxy with a view to Roxy marrying Nelly. Jack asked Nelly to give him ksh 100,000 which she did. Jack then introduced Nelly to Roxy and Roxy promised to marry Nelly in case his wife who was then very ill in hospital passed away.

However, Roxy's wife Julie underwent a successful surgery and fully recovered from the illness. Roxy has now refused to marry Nelly.

Nelly is aggrieved and wishes to sue Jack and Roxy. Advise her. (3 marks)

b. Explain contracts which are against the public policy (5 marks)

c. Discuss five ways of discharging a contract (10 marks)

QUESTION THREE

a. Explain the essential elements of partnership (5 marks)

b. Identify and explain five events which will dissolve a partnership firm without intervention of the court (10 marks)

c. In relation to the law of succession, explain the factors that a court of law may take into account when making provisions for dependants. (5 marks)

QUESTION FOUR

a. Wallan quit his job and decided to start his own business. He is not sure whether to start a partnership or a company. He has approached you to advise him on certain matters.

i. What are the differences between a partnership and a company? (5 marks)

ii. Draft an employment contract to be signed by the employees of the business formed (5 marks)

b. In regards to the law of Tort make an analysis on the possible defenses for defamation with the aid of relevant examples (10 marks)

QUESTION FIVE

a. With the aid of relevant examples elaborate on different ways in which agency relation may be created (12 marks)

b. Explain four types of mercantile agents (4 marks)

c. Distinguish between

i. obiter dicta and ratio decidendi (2 marks)

ii. procedural law and substantive law (2 marks)

