



(University of Choice)

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

UNIVERSITY MAIN EXAMINATIONS

2018/2019 ACADEMIC YEAR

MAIN EXAMINATIONS

**FOR
DIPLOMA IN BUSINESS ADMINISTRATION**

COURSE CODE: DBA 101

COURSE TITLE: BUSINESS LAW

DATE: FRIDAY, 23/8/2019

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. Posky Transporters employed Deryl as a driver to transport passengers from Nairobi to Mombasa. While on the way, Deryl drove the bus at a high speed while negotiating a sharp corner. As a result, he lost control of the bus and caused an accident. A total of twenty passengers were injured while three died on the spot.

Jean, who sustained head injury and was hospitalized, has sued for compensation but Posky Transporters have denied liability.

In reference to Vicarious liability and negligence in the law of Tort, Discuss the legal principles that Jean may rely on in her suit against Posky Transporters. (10 marks)

- b. Explain the advantages of legislation as a source of law. (5 marks)
- c. Having regards to legal personality examine the attributes of a company (6 marks)
- d. Outline four disadvantages of arbitration as a dispute resolution mechanism. (4 marks)
- e. Under what circumstances may an agent be held personally liable? (5 marks)

QUESTION TWO

a. Distinguish between hire purchase and

- i. credit sale (2 marks)
 - ii. conditional sale (2 marks)
- b. Highlight four essentials of a hire purchase agreement (4 marks)
- c. State and explain six rights of a partner (12 marks)

QUESTION THREE

- a. Explain various forms of employment relationships. (10 marks)
- b. In the context of the law of contract, explain the categories of contracts that are considered illegal on the grounds that they are opposed to public policy. (6 marks)
- c. With the aid of an example for each distinguish between coercion and undue influence. (4 marks)

QUESTION FOUR

- a. Discuss the rights of an unpaid seller of goods. (12 marks)
- b. Highlight four differences between criminal and civil law (4 marks)
- c. A minor falsely representing himself to be of age enters into an agreement to sell his property to Robert and receives from him as price a sum of Kshs 400,000 in advance. Out of this sum, the minor purchase a car for kshs 200,000 and spends the rest on a pleasure trip. After the minor has attained majority, Robert sues him for the conveyance of the property or in the alternative for the refund of kshs 400,000 and damages. How would you decide? (4 marks)

QUESTION FIVE

- a. Having regards to the law of agency examine;
- i. Rights of a principal (2 marks)
- ii. Duties of a principal (3 marks)
- b. Describe ways in which agency relation may arise. (10 marks)
- c. Distinguish between domicile and residence and explain the types of domicile. (5 marks)

