



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

**UNIVERSITY MAIN EXAMINATIONS
2021/2022 ACADEMIC YEAR
MAIN EXAMINATIONS
FOR THE DEGREE
OF
MASTERS IN BUSINESS ADMINISTRATION**

COURSE CODE: MBA 812

COURSE TITLE: BUSINESS LAW

DATE: THURSDAY, 28TH APRIL 2022 TIME: 2:00-5:00PM

INSTRUCTIONS TO CANDIDATES

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

TIME: 3 HOURS

MMUST observes ZERO tolerance to examination cheating

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

QUESTION ONE

a. Fadia went for child delivery at Dila hospital. Upon arrival and examination the doctor recommended that she would undergo an emergency caesarian section. The doctor successfully completed the operation. However two days later she had persistent pain and after undergoing an x-ray examination at rookie hospital, it was discovered that the doctor had forgotten some small tool which was used during the operation in her womb.

Fadia is aggrieved and intend to sue the doctor.

Advise Fadia by;

i. Identifying the specific wrong the doctor might have committed and the law applicable (3 marks)

ii. Explaining the essential elements of the wrong identified above (4 marks)

iii. Determining the most suitable remedy available to Fadia (1 mark)

iv. Highlighting the circumstances that must exist for Dila hospital to be held vicariously liable (2 marks)

b. Explain the terms 'void', 'voidable' and 'valid' contracts with the aid of illustrations for each (6 marks)

c. State four defenses to copyright infringement (4 marks)

d. A contract for sale of goods constitutes both a sale and an agreement to sell. Distinguish between a sale and an agreement to sell (5 marks)

e. Identify and describe five rights of a partner (10 marks)

f. Highlight the characteristics of a bill of exchange (5 marks)

QUESTION TWO

a. A exchanged his car with B but because A's car was newer than B's, B had to add him shs 400,000 besides giving him the car. A insisted that they were bound by cap 31 sale of goods act, B said they were not. Decide who was right and give reasons for your decision. (4 marks)

b. Explain four obligations of a seller of goods. (4 marks)

c. Elaborate on the reasons for increased popularity of Alternative Dispute Resolution when dealing with commercial disputes. (12 marks)

QUESTION THREE

a. An agent has a duty not to make secret profit. Suppose an agent receives a bribe from a third party whom he has contracted with while in the course of employment what remedies are available to the principal? (3 marks)

b. State and explain five ways in which agency may come to an end. (10 marks)

c. As a principal you can either appoint an agent orally or in writing. Assuming you have appointed the agent in writing, draft the contract of appointment. (5 marks)

QUESTION FOUR

a. Explain the rights of the guarantor against the principal debtor. (5 marks)

b. Describe five acts of bankruptcy. (10 marks)

c. A banker may in certain cases fail to honour a customer's cheque. Comment. (5 marks)

QUESTION FIVE

a. Antony commenced a periodical publication called 'the Armour' and engaged Biko to write a volume on ancient armour for it. For this Biko was to receive the sum of Ksh 100,000 on completion of the work. When he had completed a part, but not the whole of his volume, Anthony abandoned the publication. Biko sued Anthony for the recovery of the amount contracted for. Advise Biko.

(2 marks)

b. Discuss the remedies for breach of a contract. (10 marks)

c. What is meant by the expression contractual capacity. Illustrate your answer with use of appropriate examples (8 marks)

