



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

MAIN CAMPUS

UNIVERSITY EXAMINATIONS

2021/2022 ACADEMIC YEAR

SPECIAL/SUPPLEMENTARY EXAMINATIONS

FOR THE DEGREE

OF MASTERS IN BUSINESS ADMINISTRATION

COURSE CODE: MBA 812

COURSE TITLE: BUSINESS LAW

DATE: MONDAY, 25TH JULY 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. Hilby and Meryl entered into a written contract whereby Hilby agreed to sell and Meryl agreed to buy a certain automobile for \$8,500. Hilby drove the car to Meryl's residence and properly parked it on the street in front of her house, where he tendered it to Meryl and requested payment of the price. Meryl refused to take the car or pay the price. Hilby informed Meryl that he would hold her to the contract; but before Hilby had time to enter the car and drive it away, a fire truck, answering a fire alarm and traveling at a very high speed, crashed into the car and demolished it. Hilby brings an action against Meryl to recover the price of the car.

- i. What would the judgment of the court be? (4 marks)
- ii. Distinguish between a sale and an agreement to sell (5 marks)
- iii. Formulate the contract for sale of the automobile in the case above (5 marks)
- b. In relation to law of contract explain six elements of an enforceable contract (6 marks)
- c. Explain the nature of tortious liability with the aid of relevant examples (4 marks)
- d. Outline four disabilities of an adjudged bankrupt (4 marks)
- e. What is a copyright? Explain the remedies available to an aggrieved party in case his/her copyrights have been infringed. (12 marks)

QUESTION TWO

a. Sherwood negligently ran into the rear of Austen's car, which was stopped at a stoplight. As a result, Austen received bodily injuries and her car was damaged. Sherwood, arts editor for the Mississippi Press Register, was en route from a Louis Armstrong concert he had covered for the newspaper. When the accident occurred he was on his way to spend the night at a friend's house. Austen sued Sherwood and—under the doctrine of respondent superior—Sherwood's employer, the Mississippi Press Register. Who is liable? Explain (6 marks)

b. Identify and explain general defences under the law of Tort with the aid of relevant examples. (14 marks)

QUESTION THREE

- a. With the aid of a relevant example explain how agency may arise by estoppel (5 marks)
- b. Explain the exceptions to the general rule *delegatus non potest delegare* (5 marks)
- c. Discuss the implied terms in a contract for sale of goods (10 marks)

QUESTION FOUR

a. According to the doctrine of privity of contracts, only parties to a contract can sue or be sued in regards to the contract. However, certain exceptions have been devised in contract law. Discuss

(10marks)

b. Elaborate the grounds for discharging a guarantor in a contract of guarantee

(10 marks)

QUESTION FIVE

a. Selplax an unregistered partnership firm applied for registration on 20th April 2022. On 23rd April of the same year before registration could be effected, it filed a suit against Marlton for the recovery of kshs 500,000. Subsequently the registration certificate was issued on 30th April 2022. Can the suit be maintained?

(2 marks)

b. Elucidate on the obligations of partners

(10 marks)

c. Identify and explain four parties to a bill of exchange

(8 marks)

