

CHUKA



UNIVERSITY

UNIVERSITY SUPPLEMENTARY/SPECIAL EXAMINATIONS.

EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF AGRIBUSINESS  
MANAGEMENT AND BACHELOR OF CATERING AND HOTEL MANAGEMENT

AGBM 404/BBAM 301: BUSINESS LAW

STREAMS: AGBM Y4S2 AND BCHM Y2S2

TIME: 2 HOURS

DAY/DATE: WEDNESDAY 25/07/2018

2.30 P.M - 4.30 P.M

INSTRUCTIONS:

- Answer Question ONE and any other TWO.
- Do not write anything on the question paper

QUESTION ONE

- (a) Explain four sources of the Kenyan law. [8 Marks]
- (b) Explain four essentials of a valid offer. [8 Marks]
- (c) A horse was sent by railway from Nairobi to Kisumu. However, the owner was not present to collect it on time. The station master at Kisumu arranged for its feeding and stabling incurring an expense of Kshs.10,000/=. The station master filed a suit to recover the money and the owner of the horse refused to pay, decide. [4 Marks]
- (d) Explain five essentials of a sale. [10 Marks]

QUESTION TWO

- (a) Using illustrations, distinguish an offer from
- (i) An invitation to a treat [2 Marks]
  - (ii) A mere expression of opinion [2 Marks]
  - (iii) A declaration of intention [2 Marks]
- (b) Natural persons are distinct from the juristic person although they form the juristic person. Discuss three salient features of this principle, citing the case, which promulgated [5 Marks]

**AGBM 404/BBAM 301**

(c) Nelly has come to your office complaining that the Resident Magistrate in Meru Law courts has delivered a judgment which is not complying with the law. To which court will you direct him to appeal and why? [4 Marks]

(d) What are the 5 advantages of arbitration in solving disputes? [5 Mark]

**QUESTION THREE**

(a) Explain 5 ways a contract can be terminated. [10 Marks]

(b) A agreed to act as a commission agent for B in certain transactions. B convened to indemnify A against any loss arising under the transactions. As a result of the transactions, A became liable to C and D to the extent of Kshs.10,000. A sued B to recover the said sum of Kshs.10,000, although he had not in fact paid C or D. Decide. [4 Marks]

(c) Distinguish between sale and an agreement to sell. [6 Marks]

**QUESTION FOUR**

(a) Under a contract for sale of goods, it is very important to know who has the “property in goods” at any given time. Briefly explain why this is important. [5 Marks]

(b) F handed H a written offer. The next day F posted a withdrawal of the offer. This was posted between 12 noon and 1 P.M and it did not reach until after 5 P.M. In the meantime H at 3.50 P.M posted an acceptance, discuss. [5 Marks]

(c) Differentiate between express and implied contracts using clear illustrations. [4 Marks]

(d) Explain three essentials of a negotiable instrument. [6 Marks]

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