



## MERU UNIVERSITY COLLEGE OF SCIENCE & TECHNOLOGY

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### University Examinations 2011/2012

SECOND YEAR, FIRST SEMESTER EXAMINATIONS FOR THE DEGREE OF  
BACHELOR OF COMMERCE, YEAR ONE, SEMESTERTWO, BACHELOR OF  
BUSINESS INFORMATION TECHNOLOGY

#### HBC 2112: BUSINESS LAW I

**DATE: APRIL 2012**

**TIME: 2 HOURS**

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**INSTRUCTIONS:** *Answer question one and any other two questions*

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#### QUESTION ONE (30 MARKS)

- Robert Johnson has married Felista Kamau, a Kenyan girl. Robert refuses to pay an agreed sum of dowry to Kamau on the ground that he (Robert) is British and therefore Kenya law does not apply to him. Advise Kamau. (12 Marks)
- Explain four (4) reasons why parliament finds it necessary to delegate powers of making laws to other people. (8 Marks)
- The general rule is that an agent contracts within the limits of authority, the principal is liable. Outline any three exceptions to this rule. (6 Marks)
- Explain three ways in which a contract may be discharged by frustration. (6 Marks)

#### QUESTION TWO (20 MARKS)

- State and explain any four rules of a valid acceptance (10 Marks)
- Explain the meaning and significance of *damnum sine injuria* (ii) *injuria sine damno*. (8 Marks)

#### QUESTION THREE (20 MARKS)

- State and explain any four factors that would vitiate an otherwise valid contract. (12 Marks)
- Define defamation and distinguish between libel and slander. (8 Marks)

**QUESTION FOUR (20 MARKS)**

- a. Explain the various ways in which an agency relationship is created. (12 Marks)
- b. (i) What is a tort? (2 Marks)  
(ii) Outline three functions of the law of tort. (6 Marks)

**QUESTION FIVE (20 MARKS)**

- a. Discuss briefly the personal rights of the buyer against the seller who wrongly refuses or neglects to deliver the goods. (10 Marks)
- b. Explain four exceptions to the rule “nemo dat quad non habet” (10 Marks)