



UNIVERSITY OF EMBU

2016/2017 ACADEMIC YEAR

FIRST SEMESTER EXAMINATION

FIRST YEAR EXAMINATION FOR THE DEGREE OF BACHELOR
OF (AGRIBUSINESS MANAGEMENT)

AEB 311: BUSINESS LAW

DATE: DECEMBER 5, 2016

TIME: 11:00AM-1:00PM

INSTRUCTIONS:

Answer Question ONE and ANY other TWO Questions

QUESTION ONE (30 MARKS)

- a) Briefly discuss any three forms of business organizations. (3 marks)
- b) Define the term 'agency'. (2 marks)
- c) Briefly discuss the principal's liability for the acts of the agent. (3 marks)
- d) Distinguish between a partnership and a company. (5 marks)
- e) Briefly explain at least five essentials of a valid contract. (5 marks)
- f) Define the term 'contract'. (2 marks)
- g) Distinguish between executed, executory and past consideration. (3 marks)
- h) Briefly discuss the term free consent. (5 marks)
- i) Elucidate the term privity of contract. (2 marks)

QUESTION TWO (20 MARKS)

- a) While citing cases, explain the meaning, types and remedies of misrepresentation. (10 marks)
- b) Discuss the doctrine of caveat emptor and its exceptions. (10 marks)

QUESTION THREE (20 MARKS)

- a) Discuss briefly the law relating to communication of offer, acceptance and revocation. Is there any limit of time after which offer and acceptance cannot be revoked? (10 marks)
- b) With the help case laws and examples, discuss the remedies of breach of contract. (10 marks)

QUESTION FOUR (20 MARKS)

- a) Define consideration and discuss the various types of consideration. (10 marks)
- b) Outline the ways in which a contract may be discharged while illustrating each mode of discharge by decided cases or examples. (10 marks)

QUESTION FIVE (20 MARKS)

- a) With the help of cases and examples, explain a minor's capacity to contract. (5 marks)
- b) Explain what is meant by the intention to create a legal relationship while citing cases and examples. (5 marks)
- c) Using case studies and examples, exhaustively discuss performance and privity of contract. (10 marks)

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