



**MASENO UNIVERSITY**  
**UNIVERSITY EXAMINATIONS 2016/2017**

**FIRST YEAR SECOND SEMESTER EXAMINATION FOR  
CERTIFICATE IN BUSINESS ADMINISTRATION**

**CITY CAMPUS- DAY**

**ACB 0012: ELEMENTS OF BUSINESS LAW**

**Date:** 14<sup>th</sup> June, 2017

**Time:** 2.00 - 5.00pm

**INSTRUCTIONS:**

- Answer Question ONE compulsory and any other THREE.
- Engaging in any form of examination CHEATING shall lead to DISQUALIFICATION of your results
- Strictly follow ALL INSTRUCTIONS on the Examination Answer Booklet

### Question One : Compulsory

(a) Discuss the various equitable remedies which may be available to an injured party who is suing for breach of contract. (10 marks)

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(b) While interpreting statutes in Kenya, the Courts apply certain rules in the course of determining suits.

In relation to the above statement, explain the following rules as used in the interpretation of Statutes in Kenya;

(i) The Mischief rule

(ii) The Golden rule

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(iii) The Literal rule (6 Marks)

(c) Explain the meaning of the term 'ratification' as used in the law of agency.

(4 Marks)

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(d) Insurance law is important for the regulation of the relationship between the insurance companies and the insured. Cite five basic principles of insurance.

(5 Marks)

### Question Two

(a) Explain the duties of an agent to his principal. (10 marks)

(b) The High Court of Kenya is divided in two broad functional divisions namely Civil and Criminal divisions. Name and briefly highlight the functions of any **five** sub-divisions of the High Court Civil Division. (5 Marks)

### Question Three

(a) With the help of an appropriate example, explain the meaning of the expression "contractual capacity". (5 Marks)

(b) With reference to a contract of sale of goods, explain the implied conditions on the part of the seller. (10marks)

### Question Four

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(a) With reference to a contract of sale of goods, explain the implied conditions on the part of the seller. (10 Marks)

(b) Distinguish between Hire Purchase price and Cost Price (2 Marks)