

**W1-2-60-1-6**

## JOMO KENYATTA UNIVERSITY

**OF**

**AGRICULTURE AND TECHNOLOGY**

# University Examinations 2014/2015

**SECOND YEAR FIRST SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR OF COMMERCE**

**HBC 2206 : BUSINESS LAW I**

**DATE: AUGUST 2015 TIME: 2 HOURS**

**INSTRUCTIONS: ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER**

**TWO QUESTIONS.**

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**QUESTION ONE (30 MARKS)**

(a) Discuss the essential elements of a contract. [20 marks]

(b) Explain five factors affecting free consent. [10 marks]

**QUESTION TWO (20 MARKS)**

(a) Explain five general defenses in tort. [10 marks]

(b) Discuss the following elements of tort: [10 marks]

1. Trespass.
2. Nuisance.
3. Defamation.
4. Negligence.

**QUESTION THREE (20 MARKS)**

(a) Explain five reasons for subsidiary delegation. [10 marks]

(b) Explain the following rules as used in interpretation of statutes: [10 marks]

1. The literal rule.
2. The golden rule.
3. The mischief rule.
4. The Ejusden genesis rule.
5. Ultra Vires principle.

**QUESTION FOUR (20 MARKS)**

(a) In relation to the law of persons, outline six advantages of registered companies. [12 marks]

(b) Distinguish between domicile of origin and domicile of choice. [4 marks]

(c) Highlight four ways in which a person may lose nationality. [4 marks]

**QUESTION FIVE (20 MARKS)**

(a) In relation to the law governing negotiable instruments, explain four types of endorsements that may be made on a bill of exchange. [8 marks]

(b) Outline the ways in which a Bill of Exchange may be discharged. [6 marks]

(c) Highlight the characteristics of a promissory note. [6 marks]