

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

## JOMO KENYATTA UNIVERSITY

**OF**

**AGRICULTURE AND TECHNOLOGY**

# University Examinations 2014/2015

**YEAR II SEMESTER I EXAMINATION FOR THE DEGREE OF BACHELOR OF COMMERCE**

**HBC 2206: BUSINESS LAW**

**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) Courts of law are established to interpret the statutes and also to settle disputes between litigants. However, such courts also offer certain benefits to the society as a whole. In view of this statement, describe any six benefits that the court offers to the society. (12 marks)

(b) Explain the various stages involved in passing of a bill into

law in Kenya. (8 marks)

(c) State and explain the various methods of acquiring Kenya

citizenship. (10 marks)

**QUESTION TWO (20 MARKS)**

(a) What are the main obligations of an agent to his principals?(10 marks)

(b) State the circumstances under which an agency relationship

may be brought to an end. (10 marks)

**QUESTION THREE (20 MARKS)**

(a) A contract has been defined as legally binding agreement made between two or more parties. Explain seven essential elements of a valid contract.

(14 marks)

(b) Vitiating elements are factors which interfere with the intentions of the parties to a contract. They may render a contract void, voidable or unenforceable depending on the character they assume. Briefly explain any three vitiating elements. (6 marks)

**QUESTION FOUR (20 MARKS)**

(a) Define the term negotiable instrument. (2 marks)

(b) Highlight any five characteristics of a bill of exchange. (10 marks)

(c) Explain any four parties to a bill of exchange. (8 marks)