



ALUPE UNIVERSITY
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Bastion of Knowledge...

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OFFICE OF THE DEPUTY PRINCIPAL

ACADEMICS, RESEARCH AND STUDENTS' AFFAIRS

UNIVERSITY EXAMINATIONS

2021 /2022 ACADEMIC YEAR

2rd YEAR 2nd SEMESTER REGULAR EXAMINATION
FOR THE DEGREE OF BACHELOR OF
EDUCATION

COURSE CODE: EDB 211

COURSE TITLE: PRINCIPLES AND PRACTICES OF
BUSINESS LAW

DATE:10/06/2022

TIME: 2.00-5.00pm

INSTRUCTION TO CANDIDATES

- See Inside
- Attempt Question ONE and Any other TWO

This Paper Consists of 2 Printed Pages. Please Turn Over.

PLEASE TURN OVER

QUESTION ONE (30 MARKS)

XYZ is the most recognized trade mark in the world of business today. It is a business that has built its success on its trade mark reputation and that of its owners who are in partnership. This has been achieved through a highly centralized decision-making systems and a strong culture that is systematically disseminated and jealously guarded. Nonetheless, XYZ's mill was stopped by the breakdown of a shaft which was caused by power outage. The shaft was delivered to company M, a common carrier, to be taken to a manufacturer to copy it and make a new one. XYZ did not make known to M that the delay would result in loss of profits. By some neglect on the part of M the delivery of the shaft was delayed in transit beyond a reasonable time. Held, M was not liable for loss of profits during the period of delay as the circumstances communicated to M did not show that a delay in the delivery of the shaft would entail loss of profits to the mill.

Required;

- a) Briefly explain the obligations of company M in this relationship [10 marks]
- b) In contrast, describe the duties that XYZ owes to M as his agent [4 marks]
- c) Describe the elements of a valid contract between XYZ and M [10 marks]
- d) Briefly explain the circumstances under which the partnership between XYZ and M could be terminated [6 marks]

QUESTION TWO

- (a) Define the term law in the strict sense of the word. [4 Marks]
- (b) Explain eight sources of law in Kenya or in your country. [16 Marks]

QUESTION THREE

- a) Explain the rights of action which a seller has for breach of contract [10 marks]
- b) Explain the rules governing the passing of property under contracts for the sale of goods in cases where the parties have not indicated an intention that it should pass at any particular time. [10 marks]

QUESTION FOUR

- (a) In relation to the law of succession:
 - (i) Define a will; [2 Marks]
 - (ii) Explain four formalities of a will. [8 Marks]
- (b) Outline five classes of persons classified as dependents for purposes of the provision under the Succession Act. [10 marks]

QUESTION FIVE

- (a) Section 24 of the Partnership Act sets out rules which apply in the absence of express or implied agreement to the contrary. Outline five of these rules. [10 Marks]
- (b) Explain the circumstances under which the court will generally order the dissolution of a partnership. [10 Marks]