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OFFICE OF THE DEPUTY PRINCIPAL
ACADEMICS, RESEARCH AND STUDENTS' AFFAIRS

UNIVERSITY EXAMINATIONS

2018 /2019 ACADEMIC YEAR

SECOND YEAR SECOND SEMESTER REGULAR EXAMINATION

FOR THE DEGREE OF BACHELOR OF

EDUCATION- BUSINESS

COURSE CODE:EDB 211

COURSE TITLE: PRINCIPLES AND PRACTICE OF BUSINESS

LAW

DATE:24/04/2019

TIME: 9.00 AM-12.00PM

INSTRUCTION TO CANDIDATES

- SEE INSIDE

THIS PAPER CONSISTS OF 3 PRINTED PAGES

PLEASE TURN OVER

INSTRUCTIONS TO CANDIDATES

- Answer Question **ONE** and any other **TWO** questions
- Question **ONE** carries 30 marks
- Do not write on the question paper

QUESTION ONE

- (a) Explain the meaning and significance of the principle of double insurance. (2 marks)
- (b) Outline the consequences of non-disclosure of material facts in a contract of insurance. (8 marks)
- (c) In relation to the law governing insurance, explain 4 basic principles of insurance (4 marks)
- (d) “A contract of insurance is a contract of “*Uberrimae fidei*” (utmost good faith)”. Explain this statement. (6 marks).
- (e) The constitution provides that when a bill has been passed by the National Assembly it shall be presented to the President for assent. Explain the stages that a bill shall go through before it comes into operation as an Act of Parliament. (10 marks)

QUESTION TWO

- (a) In relation to the Law of Agency, explain five circumstances under which an agent may be held personally liable to third parties. (10 marks)
- (b) Raju appointed Kariuki to transport fresh fish from Mombasa to Nairobi. As Kariuki was preparing to leave Mombasa to Nairobi, it rained heavily and the Thange River Bridge was swept off. As a result, Kariuki chartered a flight to Nairobi to deliver the fish as he feared the fish would go bad and he was unable to immediately contact Raju. However, upon arrival in Nairobi and delivery of fish, Raju refused to reimburse Kariuki charges for the flight. Kariuki intends to sue Raju. Advise him. (10 marks)

QUESTION THREE

In relation to the Law of Contract

- (a) Explain five essentials of a valid contract. (10 marks)
- (b) Jackson entered into a contract with Jacinta whereby Jackson was to introduce Jacinta to Tajiri with a view of Tajiri marrying Jacinta. Jackson asked Jacinta to give him Sh. 10,000 which she did. Jackson then introduced Jacinta to Tajiri and Tajiri promised to marry Jacinta in case his wife who was by then very ill in hospital passed away.

However, Tajiri's wife Juliana underwent a successful surgery and fully recovered from the illness. Tajiri has now refused to marry Jacinta.

Jacinta is aggrieved and wishes to sue Jackson and Tajiri. Advise her. (10 marks)

QUESTION FOUR

- (a) In relation to the Law of Contract, explain six ways in which a contract may be discharged. (12 marks)
- (b) Janet and Mary entered into a contract in which Janet was to sell a car to Mary, for Sh. 250,000. Unknown to the parties, the car which had been parked at John's garage had been burnt down that morning following a fire outbreak at the garage. Mary had paid Janet Sh. 100,000 as deposit. She now intends to sue Janet for breach of contract

Advise Janet. (8 marks)

QUESTION FIVE

- (a) Explain four defences which may be offered by a defendant to an action for trespass to the person. (8 marks)
- (b) Mrs. Karanja and Mrs. Waithaka are neighbours. Their sons, MwauraKaranja and MwangiWaithaka, had a fight and Mwangi was hurt. In annoyance, Mrs. Waithaka hurled a stone at Mrs. Karanja but the stone did not hit Mrs. Karanja. Mrs. Waithaka rushed to her house and came out with a bucket of water which she splashed on Mrs. Karanja making her clothes wet. Mrs. Karanja intends to sue Mrs. Waithaka.

Advise Mrs. Karanja on the kinds of tort that she may seek redress from. (12 marks)