



# The Co-operative University of Kenya

## SPECIALS AND SUPPLEMENTARY EXAMINATION AUGUST-2019

### DIPLOMA EXAMINATION

UNIT CODE: DMBA 1201 / 1204

UNIT TITLE: BUSINESS LAW

**DATE: 27<sup>TH</sup> AUGUST, 2019**

**TIME: 2:30 PM – 4:30 PM**

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#### **INSTRUCTIONS:**

- Answer question **ONE (compulsory)** and any other **TWO** questions

#### **QUESTION ONE**

- (a) Explain the main characteristics of law. (3 Marks)
- (b) What are the functions of law to business management. (2 Marks)
- (c) Discuss FIVE classification of law. (10 Marks)
- (d) Explain any FIVE sources of law in Kenya as contained under sections of the Judicature Act. (10 Marks)
- (e) Explain FIVE duties of an agent under Agency relationship. (5 Marks)

#### **QUESTION TWO**

- (a) Explain the structure of courts in Kenya from the lowest to the highest. (10 Marks)
- (b) Explain FIVE vitiating elements which will affect the validity of a contract. (10 Marks)

#### **QUESTION THREE**

- (a) Explain the essential elements of a valid contract. (10 Marks)
- (b) Explain the contractual capacity of the following;
  - (i) A minor (5 Marks)
  - (ii) Persons of unsound mind (5 Marks)

#### **QUESTION FOUR**

- (a) Explain the duties and rights of a partner. (10 Marks)
- (b) Explain ways under which agency can be terminated. (10 Marks)

#### **QUESTION FIVE**

- (a) Explain the duties of an hirer. (10 Marks)
- (b) Enumerate ten items under the partnership deed. (10 Marks)