



The Co-operative University of Kenya

END OF SEMESTER EXAMINATIONS DECEMBER-2019

**EXAMINATION FOR THE DEGREE OF BACHELOR OF CO-OPERATIVE
BUSINESS (YR IV SEM II)**

UNIT CODE: HCOB 2110

UNIT TITLE: BUSINESS LAW I

DATE: 9th DECEMBER 2019

TIME: 9:00 AM – 11:00 AM

INSTRUCTIONS:

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

QUESTION ONE

- (a) Moraa and his group of friends from University have been discussing several ways in which they can run an agricultural business of selling farm produce. They have approached you to assist them in forming a partnership. Advise them on what a partnership is, how it may be formed and the various rights and duties of partners. (20 Marks)
- (b) Zana has been Abdul's agent for the past 18 months. However Abdul intends on terminating the agency relationship. Discuss various ways in which an agency relationship can be terminated. (10 Marks)

QUESTION TWO

- (a) A tort is an act or omission that gives rise to injury or harm to another and amounts to a civil wrong. Discuss the various general defences in tort law. (15 Marks)
- (b) State and explain FIVE classes of agents. (5 Marks)

QUESTION THREE

- (a) Discuss the conditions and warranties in a sale of goods contract. (14 Marks)
- (b) Mutwiri has been working for Tangaza Communications for the past five years. He has delegated several of his duties to Kinono as his agent. Discuss how an agency relationship can be formed. (6 Marks)

QUESTION FOUR

- (a) A vitiating factor is an element of contract that makes it void. Discuss the various vitiating factors in the law of contract. (10 Marks)
- (b) State and explain ways in which a contract can be discharged. (10 Marks)

QUESTION FIVE

- (a) Using relevant cases, discuss the various legal requirements that parties must satisfy in order to have a valid contract. (20 Marks)