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**KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**UNIVERSITY EXAMINATION, 2022/2023 ACADEMIC YEAR**  
**FOR THE CERTIFICATE IN HUMAN RESOURCE MANAGEMENT**  
**CHR 206-BUSINESS LAW**

Date: 6<sup>th</sup> December 2022  
Time: 2:30pm- 4:30pm

**INSTRUCTIONS TO CANDIDATES**

**ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS**

**QUESTION ONE (30 MARKS)**

- a) Differentiate between the following terms (6 Marks)
- i) Offer and acceptance
  - ii) Statutory law and the constitution
  - iii) Enforceable contract and an invalid contract
- b) What constitutes the contract of sale of goods? (6 Marks)
- c) Explain the rights of a partner in the partnership form of business ownership (6 Marks)
- d) Describe the importance of studying business law (6 Marks)
- e) Highlight the importance of studying business law (6 Marks)

**QUESTION TWO (20 MARKS)**

- a) Francis Kalati wrote to Simba David offering to sell his car to him at Sh.500, 000. Simba David accepted Francis Kalati's offer subject to the price being reduced to Sh.450, 000. It has become apparent that Francis Kalati is not willing to sell the car at Sh.450, 000. Simba David now writes to Francis Kalati agreeing to buy the car at Sh.500,000 but Francis Kalati responds that he has already sold it to a third party. Simba David is upset and comes to you for advice. Advise Simba David on the legal position focusing on how offers can be terminated. (8 Marks)
- b) Explain circumstances that create the exceptions for the rule "no consideration, no contract". (8 Marks)
- c) Outline the importance of the Consumer Protection Act of Kenya (2012). (4 Marks)

**QUESTION THREE (20 MARKS)**

- a) Distinguish between sole proprietorship and partnership forms of business ownership. (8 Marks)
- b) Illustrate how termination of employment can be initiated by either of the parties to a contract of employment. (8 Marks)
- c) Highlight the consumer rights as stipulated in the Consumer Protection Act. (4 Marks)

**QUESTION FOUR (20 MARKS)**

- a) Summarize the principles of insurance law (8 Marks)
- b) Outline the duties agents have to their principals as accounted by the law of agency. (8 Marks)
- c) Discuss the following employee rights: (4 Marks)
- Maternity
  - Discrimination

**QUESTION FIVE (20 MARKS)**

- a) Explain the various components of a valid contract **(8 Marks)**
- b) Describe the law formation process through Parliament of Kenya **(8 Marks)**
- c) Highlight the emerging issues and trends in business law **(4 Marks)**