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**KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2016/2017 ACADEMIC YEAR
DIPLOMA IN BUSINESS INFORMATION TECHNOLOGY**

DBT 002 - BUSINESS LAW

Date: 10th August, 2016.
Time: 3.30pm – 5.30pm

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

- a) Distinguish the following terms as used in law;
- i) Public and Private Law (4 Marks)
 - ii) Corporation sole and corporation aggregate (4 Marks)
 - iii) Substantive Law and Procedural Law (4 Marks)
 - iv) Ratio Decidendi and Obiter Dicta (4 Marks)
- b) Explain the essential elements of negligence. (6 Marks)
- c) Discuss the principle of 'nemo dat' as it applies to sale of goods. (8 Marks)

QUESTION TWO (20 MARKS)

- a) Explain the sources of law in Kenya. (14 Marks)
- b) Describe the conditions necessary for valid ratification of a contract. (6 Marks)

QUESTION THREE (20 MARKS)

- a) Explain the conditions which are implied in a contract of sale of goods by the Sale of Goods Act. (8 Marks)
- b) In relation to the law of persons outline the consequences of incorporation quoting relevant decided cases. (12 Marks)

QUESTION FOUR (20 MARKS)

- a) Explain the advantages of arbitration as a mechanism of dispute resolution. (8 Marks)
- b) Arnold wrote to Ben offering to sell him a consignment of goods. In the letter he advised Ben to telephone his decision to Cecilia, Arnold's wife. Explain whether there is a valid contract between Arnold and Ben in the following situations;
- i) Ben does not telephone Cecilia but writes to Arnold accepting his offer. (3 Marks)
- ii) Ben sends a telex to Arnold accepting the offer. (3 Marks)
- c) In relation to the law of persons highlight the case of Fort Hall Bakery Company Versus Wangoe. (6 Marks)

QUESTION FIVE (20 MARKS)

- a) The Supreme Court sitting on Monday the 14th June 2016 decided that judges must retire at the age of 70 years and not 74. This was in relation to the case brought up by Supreme Court judges Tonui and Rawal;
- i) Highlight the background of the above case. (5 Marks)
- ii) Explain the possible key reason why the Supreme Court so decided. (3 Marks)
- iii) Explain the possible implication of the decision above on the case involving the alleged Kshs200 million bribing of Tonui by the Governor of Nairobi Evans Kidero. (4 Marks)
- b) A statute may have a provision whose meaning is not clear. It is then the duty of the court to interpret it. In relation to the above statement, detail the rules that govern such statutory interpretation. (8 Marks)