

1903/204      1923/204  
1906/204      1924/204  
1909/204      1926/204  
1922/204

**BUSINESS LAW**

**July 2019**

**Time: 3 hours**



**THE KENYA NATIONAL EXAMINATIONS COUNCIL**

**CRAFT CERTIFICATE IN SUPPLY CHAIN MANAGEMENT  
CRAFT CERTIFICATE IN BUSINESS MANAGEMENT  
CRAFT CERTIFICATE IN ROAD TRANSPORT MANAGEMENT  
CRAFT CERTIFICATE IN PROJECT MANAGEMENT  
CRAFT CERTIFICATE IN CLERICAL DUTIES  
CRAFT CERTIFICATE IN INVESTMENT MANAGEMENT  
CRAFT CERTIFICATE IN HUMAN RESOURCE MANAGEMENT**

**MODULE II**

**BUSINESS LAW**

**3 hours**

**INSTRUCTIONS TO CANDIDATES**

*This paper consists of TWO sections; A and B.*

*Answer ALL the questions in section A and any FOUR questions from section B in the answer booklet provided.*

*Candidates should answer the questions in English.*

**This paper consists of 3 printed pages.**

**Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.**

**SECTION A (32 marks)**

Answer **ALL** the questions in this section.

1. Highlight **three** reasons that may make a court of law declare delegated legislation substantively ultra vires. (3 marks)
2. Outline **three** circumstances under which a person may recover money or assets acquired under an illegal contract. (3 marks)
3. State **two** remedies available to an employee who has been wrongfully dismissed from employment. (2 marks)
4. In relation to the law of agency, state **three** types of authority that a principal may give to the agent. (3 marks)
5. Outline **four** characteristics of easement. (4 marks)
6. Outline **four** rights given to an individual by the constitution of Kenya. (4 marks)
7. Outline **three** defences that may be pleaded by a person accused of defamation. (3 marks)
8. State **four** types of damages a court may award for breach of contract. (4 marks)
9. Highlight **three** matters over which the Kadhis Court has jurisdiction. (3 marks)
10. Highlight the order in which the estate devolves upon the death of surviving spouse with no children in interstate succession. (3 marks)

**SECTION B (68 marks)**

Answer any **FOUR** questions from this section.

11. (a) Explain **four** shortcomings of case law as a source of law. (8 marks)
- (b) Explain **six** rights of an employee as provided by the Employment Act 2007. (9 marks)

12. (a) Explain **four** types of bills that may be passed by the National Assembly. (8 marks)
- (b) In relation to the law of contract, outline **six** rules that make an offer valid. (9 marks)
13. (a) Explain **four** circumstances under which a stranger to a contract may have the right to enforce it. (8 marks)
- (b) Highlight **six** functions of Rent Tribunal. (9 marks)
14. (a) Explain **six** instances when trespass to persons would be justified under law. (9 marks)
- (b) Mune, an agent of Kimau had authority to collect paint from Livel Traders. Kimau would always place an order of paint a day before its collection by Mune. This arrangement had lasted over three years. On one occasion, just before the paint was to be collected, Mune, was sacked for insubordination. However, Kimau failed to inform Livel Traders that Mune was no longer his agent. As was the custom, Mune collected the paint but never delivered it to Kimau. When Livel Traders issued Kimau with the invoice for the last consignment, Kimau refused to pay. Livel Traders are aggrieved and intend to file a suit against Kimau for default.
- Explain the legal principles applicable in this case. (8 marks)
15. (a) Highlight **six** circumstances under which gifts in contemplation of death would be valid. (9 marks)
- (b) Explain **four** ways in which ownership of property may be acquired. (8 marks)

**THIS IS THE LAST PRINTED PAGE.**