



MASEÑO UNIVERSITY
UNIVERSITY EXAMINATIONS 2013/2014

FIRST YEAR SECOND SEMESTER EXAMINATIONS FOR THE
CERTIFICATE IN BUSINESS ADMINISTRATION
(CITY CAMPUS)

ACB 0012: ELEMENTS OF BUSINESS LAW

Date: 16th July, 2014

Time: 9.00 – 11.00 a.m.

INSTRUCTIONS:

- Answer Question ONE (COMPULSORY) and any other TWO questions.

QUESTION ONE (COMPULSORY)

- a) Define the term "Law" and state the main purpose of law. (8 Marks)
- b) In relation to the sources of Law, explain the following :
i. State four maxims of equity that were developed to supplement the inadequacies of common law (6 Marks)
- c) State the factors that undermine the "rule of law." (6 Marks)
- d) The principles of natural justice are rules governing procedure and conduct of administrative bodies. They were developed by the courts in England and imported into Kenya as part of common law principles. Explain six principles/rules of natural justice (10 Marks)

(Total: 30 Marks)

QUESTION TWO

- a) With the aid of a suitable diagram, describe the structure and hierarchy of the court system in Kenya (10 Marks)
- b) Explain the composition and powers of the Judicial Service Commission (6 Marks)
- c) Describe the role of the Office of the Attorney General (4 Marks)

(Total: 20 Marks)

QUESTION THREE

- a) In relation to administration of law:
i. Explain the meaning of the term "arbitration" (4 Marks)
ii. Explain three circumstances under which the High Court may appoint an arbitrator (6 Marks)
- b) Discuss the constitutional concept of separation of powers (5 Marks)
- c) The principle of independence of the judiciary is an integral part of the doctrine of separation of powers. In light of this statement, discuss the various ways how the Independence of the Judiciary may be actualized (5 Marks)

(Total: 20 Marks)

QUESTION FOUR

- a) Explain the remedies available to an unpaid seller against;
i. The goods; (6 marks)
ii. The buyer under the Sale of Goods Act. (4 marks)
- b) State the duties of the agent in relation to the Law of Agency? (6 Marks)
- c) Discuss two types of specific agents (4 Marks)

(Total: 20 Marks)

QUESTION FIVE

- a) In relation to negotiable instruments, explain the duties of a customer to the banker. (4 Marks)

- b) The banker must not pay any monies out of the customer's account without his express or implied authority failing which he is liable in damages for breach of duty. However, the banker loses his authority to pay in various circumstances. Summarize the circumstances. (10 Marks)
- c) Distinguish between the following
- i. Real property and personal property (3 Marks)
 - ii. Legal interests and equitable interests (3 Marks)

(Total: 20 Marks)