



THE MOMBASA POLYTECHNIC UNIVERSITY COLLEGE

Faculty of Business & Social Studies

DEPARTMENT OF BUSINESS STUDIES

BACHELOR OF BUSINESS ADMINISTRATION

HBC 2112: BUSINESS LAW

END OF SEMESTER EXAMS

SERIES: APRIL/MAY 2010.

TIME: 2 HOURS

INSTRUCTIONS TO CANDIDATES

1. The paper consists of **FOUR** questions.
 2. Answer Question **1** (compulsory) and any other **TWO** questions.
 3. Credit is given for citing relevant legal authorities.
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- Q.1 (a) “Consideration must be real but need not be adequate”
Citing relevant cases as examples, discuss the meaning of this statement. (8 marks)
- (b) “A contract may appear to be valid apparently but may on closer examination be lacking free will”
In relation to the above statement, discuss the factors which may vitiate consent. (12 marks)

- (c) “An illegal contract is void and unenforceable. The court cannot protect a party even to recover who he has given under the contract”.
Explain the exceptional cases if any. (10 marks)
- Q.2 (a) Define a legal person. (6 marks)
(b) Distinguish a corporation from unincorporated association. (8 marks)
(c) State **SIX** functions of Law. (6 marks)
- Q.3 (a) With examples explain the meaning of the maxims:-
(i) Injuria sine damno
(ii) Damnum sine injuria. (10 marks)
(b) Explain the defences available in the tort of Defamation. (10 marks)
- Q.4 (a) “A delegate cannot delegate” (Delegatus non potest delegare).
Explain the meaning of this statement stating the exceptional cases if any. (10 marks)
(b) What is the effect of forgery of a signature in the Negotiable instrument law. (10 marks)