



Riara School of Business
Nurturing business innovators

JANUARY – APRIL 2023 TRIMESTER
EXAMINATIONS FOR DIPLOMA IN BUSINESS MANAGEMENT

EVENING PROGRAMME

RBM 021: GENERAL PRINCIPLES OF COMMERCIAL LAW

DATE: 2023.

TIME: 2 HOURS

INSTRUCTIONS

- i) Answer question one and any other two**
 - ii) Marks allocated to each question are shown at the end of the question**
 - iii) Arrange your work neatly and indicate the questions answered in the Examination booklet**
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QUESTION ONE (COMPULSORY – 30 MARKS)

- a) Kamau teaches at Jamu High School under the supervision of the Headmaster. He earns a monthly salary of sh.25, 000. The school is private and provides Kamau with teaching resources that he requires. Kamau is also provided with office space. State FOUR factors that are considered in determining that Kamau is an employee of the school. **(8 Marks)**

- b) Outlines SIX functions of the Central Organization of Trade Union (C.O.T.U) **(7 Marks)**
- c) Using relevant examples make short notes on;
 - i. The elements that make a valid contract. **(5 Marks)**
 - ii. Differences between public law and Private law. **(5 Marks)**
 - iii. The remedies to a valid contract. **(5 Marks)**

QUESTION TWO

- a) Discuss the stages of law making in Kenya keeping in mind the changes brought by the present Constitution of Kenya of 2010. **(10 Marks)**
- b) Outline and discuss the Jurisdiction of the hierarchy of Courts in Kenya. **(10 Marks)**

QUESTION THREE

- a) Outline the difference in function between the senate and the National Assembly **(10 Marks)**
- b) Discuss the difference between a Partnership business and a Company as associations having juristic entities. **(10 Marks)**

QUESTION FOUR

- a) Robert is authorized by Bob to buy a quality of carpeting at a price not exceeding Ksh.100 per square meter. The type of carpet specified is difficult to obtain and Robert agrees to buy from John for Ksh 120. Robert states he is acting as an agent and, although he does not disclose the name of his principal, John is aware of the person for whom he purports to act. Robert's intention at the time is to buy for himself, with the object of selling at a profit elsewhere, but he later abandons this plan. When Bob learns of the transaction, he agrees to pay the higher price but when he Bob learns of Robert's intention to buy himself and then sell at a profit elsewhere; he refuses to take delivery of the carpet from John. Advice John. **(10 Marks)**
- b) Describe the different types of Torts. **(10 Marks)**