



Riara School of Business
Nurturing business innovators

SEPTEMBER-DECEMBER TRIMESTER, 2022 EXAMINATIONS
DAY/PROGRAMME
EXAMINATION FOR (BACHELOR OF BUSINESS ADMINISTRATION)

RBA 202: BUSINESS LAW

DATE: 1ST DECEMBER 2022
TIME: 2 HOURS

SPECIAL INSTRUCTIONS

1. Write your REGISTRATION NO. Clearly on the answer booklet(s).
2. Answer Question One and ANY other TWO questions.
3. Questions in all sections should be answered in answer booklet(s).
4. PLEASE start the answer to EACH question on a NEW PAGE.
5. For the questions, write the number of the question on the answer booklet(s) in the order you answered.
6. Write on both sides of each leaf and indicate number of each question at the top of each page.
7. Write the answers in paragraph form unless stated otherwise.
8. Marks allocated to each question are shown at the end of the question.
9. All rough work must be done on the answer booklet and crossed through!
10. Use supplementary pages only when you have exhausted those in this booklet.
11. Fasten the supplementary pages to the inside back cover of this booklet.

QUESTION ONE: COMPULSORY (30 MARKS)

- a) Explain **THREE** remedies available to a seller in case a buyer breaches a contract of sale of goods **(6 marks)**
- b) In relation to the law of property, explain **three** differences between ownership and possession **(6marks)**
- c) The relation between the principal and the agent is a personal one and the agent cannot employ another person to perform his duty. However, there are exceptions to this rule. Explain **eight** exceptions. **(8 marks)**
- d) A contract might be discharged by performance where both parties fulfil their obligations under the contract and nothing remains to be completed. This is referred to as precise performance. There are however, exceptions to this rule of precise performance. Discuss **five** exceptions to the above rule. **(10 Marks)**

QUESTION TWO

- a) Explain **five** ways in which a contract can be discharged **(10 marks)**
- b) Explain **five** vitiating factors of a contract law **(10 marks)**

QUESTION THREE

- a) Explain **four** components of legally binding financial contract **(10 marks)**
- b) Discuss **five** High Court special powers. **(10 marks)**

QUESTION FOUR

- a) Brian approached Ramla, a Certified Public Accountant of Kenya, and asked her advice as to the financial position and financial performance of a business that he was interested in investing. Ramla, prepared a business report for Brian and concluded that it would be a profitable, secure and viable investment, in fact Ramla made the comment that: "The business is booming and is a gold mine!" which in fact, induced Brian to enter into the investment. However, in preparing the business report Ramla

overlooked the fact that the proposed business to be invested in by Brian, had not provided sufficiently for bad debts. Thus, on reliance of Ramla's statement and business report, Brian went ahead and invested his money in the business, but within five months the business Brian invested in was in serious financial difficulty and Brian was in serious danger of losing the significant part of his investment.

Based on the above narration explain in detail any **four** elements of professional negligence by Ramla. **(8marks)**

b) Explain the difference between substantive law and procedural law **(2 marks)**

c) Explain **five** equitable remedies **(10 marks)**