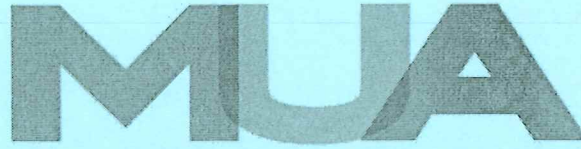


The
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CERTIFICATE UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

**CERTIFICATE IN INTERNATIONAL RELATIONS AND
DIPLOMACY/CERTIFICATE IN ENTREPRENEURSHIP/
CERTIFICATE IN MANAGEMENT AND LEADERSHIP**

CIR 101, CES 102, CML 104:

FOUNDATION OF BUSINESS LAW AND ETHICS

Date:

30th November 2021

DURATION: 2 HOURS

MAXIMUM MARKS: 70

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **FOUR** questions.
6. Question **ONE** carries **30 MARKS** and the rest carry **10 MARKS** each.
7. **Write all your answers in the Examination answer booklet provided.**

QUESTION ONE

Read the Case Study below carefully and answer the questions that follow:

Peter wanted to buy a horse of his nephew, James. They discussed on the issue and settled at a price of Ksh. 500,000. James told his uncle that he will communicate to him at a later date. James took long before communicating to his uncle. His uncle replied saying,

"If I hear no more about him, I consider the horse mine at Ksh. 300,000.

The nephew did not reply. He was busy at auctions on his farm. He told the man running the auctions, Daniel, ~~not~~ to sell the horse. But by accident, he did not. Peter then sued Daniel, his nephew's manager in the tort of conversion - using someone else's property inconsistently with their rights. But for Peter to show the horse was his property, he had to show there was a valid contract. Daniel argued there was not, since the nephew had never communicated his acceptance of the uncle's offer.

REQUIRED

- a) With regards to the above case, explain giving examples from the above case, the modes of acceptance. (10 marks)
- b) Can silence be considered an acceptance? Explain (5 marks)
- c) Explain the rules of revocation of a contract (5 marks)
- d) Explain five elements of a valid contract (10 marks)

QUESTION TWO

- a) Define contract (1 mark)
- b) Identify the three types of contracts. (3 marks)
- c) Explain the following contracts (6 marks)
 - i) Valid contract
 - ii) Voidable contract
 - iii) Void contract

QUESTION THREE

- a) Describe the Kenyan Court structure (6 marks)
- b) Discuss the Supreme Court of Kenya and give its jurisdiction. (4 marks)

QUESTION FOUR

- a) Describe your understanding of rule of law (3 marks)
- b) Define tort as a kinds of civil wrong and give the various examples (7 marks)

QUESTION FIVE

- a) Compare and contrast public limited company and a private limited company giving an example of each. (6 marks)
- b) State the any four legal requirements of a partnership deed (4 marks)

QUESTION SIX

- a) Differentiate between legal and moral wrongs and give example of each. (4 marks)
- b) Define business law and state its four components. (6 marks)

