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ATD LEVEL I

DCM LEVEL I

PRINCIPLES OF BUSINESS LAW

TUESDAY: 26 November 2019.

Time Allowed: 3 hours.

Answer any FIVE questions.

ALL questions carry equal marks.

QUESTION ONE

- (a) Summarise four types of jurisdiction that courts in your country possess. (8 marks)
- (b) (i) Highlight two warranties implied in a contract of sale of goods. (4 marks)
- (ii) Explain four duties of a seller under a sale of goods contract. (8 marks)
- (Total: 20 marks)**

QUESTION TWO

- (a) Describe five advantages of statute law as a source of law in your country. (10 marks)
- (b) Explain five equitable remedies for breach of contract. (10 marks)
- (Total: 20 marks)**

QUESTION THREE

- (a) Explain five grounds upon which the court might order the winding up of a partnership. (10 marks)
- (b) With reference to the law of persons:
- (i) Distinguish between “domicile of origin” and “domicile of choice”. (4 marks)
- (ii) Identify three categories of persons who can apply to become citizens of Kenya by registration. (6 marks)
- (Total: 20 marks)**

QUESTION FOUR

- (a) (i) State four consequences of non-registration of a hire purchase agreement. (4 marks)
- (ii) List three conditions implied in all hire purchase agreements. (3 marks)
- (b) With reference to the law of agency:
- (i) Define the term “del credere agent”. (2 marks)
- (ii) Explain three remedies available to an agent for breach of contract by the principal. (6 marks)
- (iii) Highlight five circumstances under which an agent might be held personally liable to third parties. (5 marks)
- (Total: 20 marks)**

QUESTION FIVE

- (a) There is no single definition of the term law. However, there are some common points that must be contained in an attempt to define law.
- With reference to the above statement, identify four components that must be present in any attempt to define law. (8 marks)
- (b) Explain two grounds for judicial review in your country. (4 marks)
- (c) Describe four grounds upon which the High Court can set aside an arbitral award. (8 marks)
- (Total: 20 marks)**

QUESTION SIX

- (a) Describe the rules that govern limitation of actions in tort. (8 marks)
 - (b) (i) Distinguish between the terms “insurance”, and “assurance”. (4 marks)
 - (ii) Give four examples of insurable interest in life assurance. (8 marks)
- (Total: 20 marks)**

QUESTION SEVEN

- (a) Highlight three rights of a guarantor against a creditor. (6 marks)
 - (b) Outline four features of a promissory note. (4 marks)
 - (c) Explain five ways through which a lease might be terminated. (10 marks)
- (Total: 20 marks)**
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