



**STRATHMORE BUSINESS SCHOOL  
BACHELOR OF FINANCIAL SERVICES  
END OF SEMESTER EXAMINATION**

**BFS 1205: BUSINESS LAW & INSTITUTIONAL GOVERNANCE (NOV-MAR 2022)**

**Date:** Thursday, 17<sup>th</sup> March 2022

**Time:** 2 Hours

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**Instructions:**

1. This examination consists of FIVE questions.
2. Answer **Question ONE (COMPULSORY)** and any other **TWO** questions.

**QUESTION 1**

C, a claimant in tort alleges that his vehicle was negligently towed by the County Council of Nairobi Askaris and as a result he has spent about Ksh 100,000.00 to repair. He wants to take County Council to court for the damages. Advise him in the following areas:

- A.
- i. Which court of the land would entertain his case and why you have chosen such a court? **(8 Marks)**
  - ii. How different is this court from the Khadhi's court? **(2Marks)**
- B. Who is the likely defendant in this case? Why do you think this defendant can be sued? **(5 Marks)**
- C.
- i. Where would you classify his vehicle in terms of property? **(2 Marks)**
  - ii. How different is this type of property from real property and intangible property. **(8 Marks)**
- D. What are the differences between a tort and a contract? **(5 Marks)**

## **QUESTION 2**

- A. Briefly explain the essentials of a valid contract. **(10 Marks)**
- B. What are the legal effects of the relationship between an agent and a third party? **(10 Marks)**

## **QUESTION 3**

- A. Define Goods under the Sale of Goods Act and explain the different classes of goods. **(10 Marks)**
- B. Briefly explain any five conditions of sale implied in the Sale of Goods Act. **(10 Marks)**

## **QUESTION 4**

- A. In the event of dishonour of a cheque, what rights accrue to the payee? **(5 Marks)**
- B. Explain the differences between the legal personality of a company and that of an association **(5 Marks)**
- C. Explain any two general defences in Tort **(5 Marks)**
- D. Enumerate the advantages of a Limited Liability Partnership over a general Partnership. **(5 Marks)**

## **QUESTION 5**

- A. Briefly explain the lessons and rules learnt from the case of Rylands vs Fletcher and whether the rules apply to the tort of Nuisance. **(8 Marks)**
- B. Under what circumstances can the corporate veil be lifted? **(4 Marks)**
- C. Explain any 4 classes of law. **(8 Marks)**