



STRATHMORE UNIVERSITY BUSINESS SCHOOL
BACHELOR FINANCIAL SERVICES
BFS 1103: BUSINESS LAW & INSTITUTIONAL GOVERNANCE
END SEMESTER EXAMINATION

DATE: 19th December 2023

TIME: 08:00-10:00

Special Instructions to Candidates

- i) This paper lasts 2HRS
- ii) It is composed of 5 (Five) questions
- iii) Question **one is compulsory** and has 30 marks.
- iv) Candidates are required to attempt **question one** and any **other TWO** questions.

QUESTION ONE

(30 MARKS)

- a). Identify the objectives of business law in Kenya. **(10 marks)**
- b). Explain the sources of business law. **(10 marks)**
- c). Discuss any **five** classes of the law of Tort. **(10 marks)**

QUESTION TWO

(20 MARKS)

- a) Paul owns a coffee house in Nairobi. One day Mary came in with her friends for an evening coffee. In the process of being served, Mary unfortunately hit her mug and coffee pored on the floor. Paul sends one of the waiters Peter, to wipe it up. It is a busy hour, so peter mops the area hurriedly and improperly and leaves the floor wet. After a short while Mary walked to the cashier to order one more mug of coffee. She sliped on the wet floor and broke her arm. She decided to sue Paul. Discuss whether Mary has a valid legal claim in suing Paul **(10 marks)**
- b) Assess whether there are any defenses available to Paul in this case. **(10 marks)**

QUESTION THREE**(20 MARKS)**

- a) Muema wanted to hire a consultant to carry out some work but contractual terms were not so clear. Explain five elements required for the formation of a valid contract. **(10 marks)**
- b) Discuss any five duties and responsibilities of directors in a company. **(10 marks)**

QUESTIONS FOUR**(20 MARKS)**

- a) Mr. Salim wanted to transition his sole proprietorship business into a limited company. Explain the five disadvantages of having a limited company. **(10 marks)**
- b) Identify five ways in which a contract of agency can be terminated. **(10 marks)**

QUESTION FIVE**(20 MARKS)**

- a) Odongo wanted to sell land to Ben, he claimed to have inherited land from his grandfather. Explain the concept of ownership in property law. **(10 marks)**
- b) Discuss the five principles of effective institutional governance. **(10 marks)**

END