



Strathmore
UNIVERSITY

**STRATHMORE INSTITUTE
DIPLOMA IN ENTREPRENEURSHIP
END OF SEMESTER EXAMINATION
DE 1203: LEGAL ISSUES AND STATUTORY REQUIREMENTS**

DATE: 19th December 2018

Time: 2 Hours

Instructions

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

QUESTIONS

QUESTION ONE (COMPULSORY)

- a) Discuss five conditions implied in a sale of goods contract (**10 marks**)
- b) In relation to the law of negotiable instruments,
 - i. outline five characteristics of a bill of exchange (**5 marks**)
 - ii. discuss five duties of a banker to the customer (**10marks**)
- c) Alex, an upcoming entrepreneur, entered into a contract with Chris. Chris has not fulfilled his obligations under this contract. Alex would like to resolve this matter but outside the court. Outline to him five advantages of using mediation to resolve commercial disputes (**5 marks**)

QUESTION TWO

- a) State three disadvantages of court based adjudication (**3 marks**)
- b) Under employment law,
 - i. Explain the meaning of unfair termination of employment (**2 marks**)
 - ii. State any four grounds that may amount to unfair termination of employment (**4 marks**)
 - iii. Describe three remedies available to an employee whose employment is unfairly terminated (**6 marks**)

QUESTION THREE

- (a) Under hire purchase contract, the owner of the goods cannot reposes the goods where the hirer has paid more than two thirds of the hire purchase price unless with the sanction of the court. Highlight three consequences of violating this provision (**6 marks**)
- (b) Outline four duties of the owner of goods under hire-purchase agreement (**4 marks**)

- (c) In relation to the law of contract, state five remedies available to a buyer for breach of contract **(5 marks)**

QUESTION FOUR

Haraka is an employee of Mwenda Pole. On 20th November 2018, Mwenda Pole instructed Haraka to drive to Riverside and drop some office equipment. On his way to Riverside, Haraka was over-speeding. He lost control and hit Mpita Njia who was walking on the pedestrian walkway. Mpita Njia was injured on his leg. He would like to get legal redress for the injuries sustained. He has come to you seeking advice on the following:

- a) The meaning of vicarious liability **(2 marks)**
- b) Discuss two elements that must be proven by the Plaintiff under vicarious liability **(4 marks)**
- c) Explain whether Mpita Njia can sue Mwenda Pole for the actions of Haraka **(9 marks)**

QUESTION FIVE

In relation to Intellectual property, explain the following:

- a) Four characteristics an invention must meet to be patented **(8 marks)**
- b) Seven uses of a Trademark **(7 marks)**