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BUSINESS LAW  
November 2018  
Time: 3 hours



**THE KENYA NATIONAL EXAMINATIONS COUNCIL**

**DIPLOMA IN SUPPLY CHAIN MANAGEMENT**  
**DIPLOMA IN BUSINESS MANAGEMENT**  
**DIPLOMA IN CO-OPERATIVE MANAGEMENT**  
**DIPLOMA IN INVESTMENT MANAGEMENT**  
**DIPLOMA IN HUMAN RESOURCE MANAGEMENT**

**BUSINESS LAW**

**3 hours**

**INSTRUCTIONS TO CANDIDATES**

*This paper consists of SEVEN questions.  
Answer any FIVE questions in the answer booklet provided.  
All questions carry equal marks.  
Candidates should answer the questions in English.*

**This paper consists of 2 printed pages.**

**Candidates should check the question paper to ascertain that both pages are printed as indicated and that no questions are missing.**

1. (a) Outline **five** exceptions to the maxim, delegatus non potest delegare. (10 marks)  
(b) In relation to the law of contract, explain **five** circumstances under which an aggrieved party may lose the right of rescission. (10 marks)
2. (a) Explain **six** duties of an employer to the employee. (12 marks)  
(b) Outline **four** reasons that may make a court of law to nullify laws made through delegated legislation. (8 marks)
3. (a) Explain **five** advantages of making a will in the disposition of property. (10 marks)  
(b) Explain **five** characteristics of an easement. (10 marks)
4. (a) Highlight **six** circumstances under which trespass to persons would be justified by law. (12 marks)  
(b) Chris was employed by Wemba Real Estate to deliver potential customers to buy plots in various localities. Chris became very popular with the customers, to the extent that most of them believed that he was the owner of Wemba Real Estate. This popularity made Chris so arrogant that he started to disrespect his principal. As a result of this conduct, the principal sacked him. In retaliation, Chris gave out the telephone contact of the principal's customers to a competitor who used them to the detriment of Wemba Real Estate. As a consequence, Wemba Real Estate intends to bring action against Chris. Explain the legal principles applicable in this case. (8 marks)
5. (a) Explain **five** remedies against a trespasser to land. (10 marks)  
(b) Wisper entered into a contract with Molex Cars Limited for the purchase of a car. She insisted that the car had to be a Toyota model, preferably, white in colour. Molex Cars Limited delivered to her a Toyota car but red in colour. Wisper has declined to take delivery of the car, claiming that Molex Cars Limited has breached the contract. Explain the legal principles applicable in this case. (10 marks)
6. (a) Explain **four** grounds for invalidating a will. (8 marks)  
(b) Explain **six** shortcomings of administrative tribunals as a means of solving disputes. (12 marks)
7. (a) In relation to the principle of separation of powers, outline **five** functions of the executive. (10 marks)  
(b) In relation to the law of property, explain **five** types of mortgages. (10 marks)

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