

Name _____ Index No. _____ / _____

1902/204
INTRODUCTION TO LAW
November 2013
Time: 3 hours

Candidate's Signature _____

Date _____



THE KENYA NATIONAL EXAMINATIONS COUNCIL



**CRAFT CERTIFICATE IN SALES AND MARKETING
MODULE II**

INTRODUCTION TO LAW

3 hours

INSTRUCTIONS TO CANDIDATES

Write your name and index number in the spaces provided above.
Sign and write the date of the examination in the spaces provided above.
This paper consists of **TWO** sections; **A** and **B**.
Answer **ALL** the questions in section **A** and any **FOUR** questions in section **B**.
Write **ALL** your answers in the spaces provided in this question paper.
Do **NOT** remove any pages from this booklet.
Candidates should answer the questions in **English**.

For Examiner's Use Only

Section A

Questions	1	2	3	4	5	6	7	8	9	10	TOTAL SCORE
Candidate's Score											

Section B

Questions	11	12	13	14	15	TOTAL SCORE
Candidate's Score						

GRAND TOTAL	
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This paper consists of 12 printed pages.

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

SECTION A: (32 marks)

1. Explain **four** sources of law in Kenya. (4 marks)

- (i) _____
- (ii) _____
- (iii) _____
- (iv) _____

2. Outline **three** types of jurisdiction of the High Court of Kenya. (3 marks)

- (i) _____
- (ii) _____
- (iii) _____

3. State **three** circumstances when an employer may be liable for torts of an independent contractor. (3 marks)

- (i) _____
- (ii) _____
- (iii) _____

4. Outline **four** characteristics of a promissory note. (4 marks)

- (i) _____
- (ii) _____
- (iii) _____

5. State **three** essential elements of a valid contract. (3 marks)

- (i) _____
- (ii) _____
- (iii) _____

6. Outline **four** defences that may be raised by the defendant when sued in a court for the tort of nuisance. (4 marks)

- (i) _____
- (ii) _____
- (iii) _____
- (iv) _____

7. State **three** circumstances under which an agent may be held personally liable to third parties. (3 marks)
- (i) _____
- (ii) _____
- (iii) _____
8. Outline **three** remedies available to the buyer for breach of a contract for sale of goods. (3 marks)
- (i) _____
- (ii) _____
- (iii) _____
9. State **two** ways in which property may be acquired. (2 marks)
- (i) _____
- (ii) _____
10. Outline **three** forms of domiciles. (3 marks)
- (i) _____
- (ii) _____
- (iii) _____

SECTION B:(68 marks)

Answer any FOUR questions from this section in the spaces provided in this question paper.

11. (a) Explain **six** points of distinction between public and private companies. (9 marks)
- (b) A company was registered by the name Pambaza Introduction Limited for the purpose of providing information to visitors and tourists coming to Kenya. During the world economic difficulties, the number of visitors and tourists coming to Kenya reduced substantially and the company having found itself in financial difficulties decided to engage in wheat production in Rift Valley for which purpose it borrowed Ksh.4 million from Kwanza Commercial Bank. The company has been unable to repay the loan as agreed and the bank intends to take legal action for the recovery of the loan.
- (i) Explain the legal principles applicable in this case.
- (ii) Advise Kwanza Commercial Bank on its legal rights against Pambaza Introduction Limited. (8 marks)

12. (a) In relation to the law of Torts, outline the defences available under Rylands V. Fletcher Rule. (8 marks)
- (b) John Musembi a motor car dealer bought a Toyota Corolla car innocently from Joseph Kamau for which the firm paid Ksh.300,000. The dealer sold the car to James Wasike for Ksh.450,000. This Toyota Corolla had been reported stolen from Mahu Singh at gun point. The policemen found the stolen car in possession of James Wasike and they took the car away from him and handed it over to the rightful owner Mahu Singh without securing a court order to return the stolen property. James Wasike is aggrieved and has approached you for legal advice.
- (i) Explain the legal principles applicable in this case.
- (ii) Advise James Wasike of his legal rights. (9 marks)
13. (a) In relation to the law of contract; outline **four** ways in which an offer may be terminated. (8 marks)
- (b) S.M. Asunda aged fifteen went to M.Z. Shah a shopkeeper at Ngala Road in Mombasa and fraudulently represented himself to be of full age and induced the shopkeeper to sell him goods on credit valued Ksh.12,000. He made part payment of Ksh.2,000 and promised to pay the balance within one week. He subsequently sold the goods to J.J. Maina who paid him Ksh.16,000 cash. When S. M. Asunda was contacted after two weeks, he informed M.Z. Shah that he has already paid the school fees and he does not have any money left and advised M. Z. Shah to write off the debt. M.Z. Shah is aggrieved and has approached you for legal advice.
- (i) Explain the legal principles applicable in this case.
- (ii) Advise M.Z. Shah. (9 marks)
14. (a) Explain **four** ways in which a bill of exchange may be discharged. (8 marks)
- (b) A lease agreement usually contains implied terms on the part of the lessor and lessee. Outline the terms implied on the part of the lessee. (9 marks)
15. (a) In relation to a contract of sale of goods:
- (i) explain **four** categories of unascertained goods. (6 marks)
- (ii) outline **two** duties of the buyer towards the seller. (4 marks)
- (b) Omondi, a property dealer instructed his client Gloria to sell his property at a commission of Ksh.30,000. Gloria found a purchaser who paid Ksh.160,000. After the sale, Gloria paid Omondi Ksh.130,000 and retained Ksh.30,000 as her commission. Subsequently Omondi learnt that Gloria had also received Ksh.10,000 as commission from the purchase. Omondi is aggrieved and seeks your legal advice.
- (i) Explain the legal principles applicable in this case.
- (ii) Advise Omondi. (7 marks)