

LAIKIPIA



UNIVERSITY

UNIVERSITY EXAMINATIONS

FIRST SEMESTER 2025/2026 ACADEMIC YEAR

FOURTH YEAR EXAMINATION FOR THE DEGREE
OF BACHELOR OF COMMERCE

AGBM 411: BUSINESS LAW

STREAM: *Y4S1 AGBM*

TIME: *2 HRS*

DAY: *FRIDAY [8.30-10.30 A.M]*

DATE: *6/02/2026*

THIS QUESTION PAPER CONSISTS OF THREE (3) PAGES

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INSTRUCTIONS: Answer question **ONE** and any other **TWO** questions

QUESTION ONE

- a) Law plays a critical law in our society an in the country at large, discuss this statement giving examples **(10 marks)**
- b) The sale of goods Act states that it is the duty of the seller is to deliver goods and of the buyer to accept and pay for them in accordance with the terms of the contract of sale. Describe the seller's duties in connection with the delivery and indicate the implied conditions in the sale of goods Act. **(10 marks)**
- c) Law has been divided into different branches/classes for easy management and administration of the same. Briefly explain the main branches of law **(10 marks)**

QUESTION TWO

- a) Discuss the main reasons for parliament to delegate its law making authority to competent bodies **(10 marks)**
- b) While at home for holidays Jane a 2nd year semester two student in the July 2020 group was asked by her parents to enlighten them about what a good agreement which a person can rely on in court have because they had entered into one with their neighbour about an intended purchase of a German Shepherd Dog which is due to give birth in 2months. Help Jane to discuss the issue with her parents **(10 marks)**

QUESTION THREE

- d) Law has been divided into different branches/classes for easy management and administration of the same. Briefly explain the main branches of law **(10 marks)**
- e) Discuss the limitation imposed on application of Islamic Law as a source of law of Kenya **(10 marks)**

QUESTION FOUR

- a) Mohamed appoints Abdala as his agent to transport fresh camel milk from Marsabit for sale in Meru. On the way to Meru at a remote location, Abdalas lorry broke down. Efforts to contact Mohamed were unsuccessful because the area was remote. Fearing that the milk would get spoiled, Abdala sold the milk to the nearby residents at a price below the market price.

Abdala has given Mohamed the proceeds from the sale of the milk but on his part Mohamed has refused to pay Abdala the agreed commission.

Explain the legal principles applicable in this case and advise Abdala **(10 marks)**

b) Describe the characteristics of a negotiable instrument. **(10 marks)**

END