PAN AFRICA CHRISTIAN UNIVERSITY

Where Leaders are Made

UNIVERSITY EXAMINATIONS: 2025/2026

EXAMINATION FOR THE DEGREE OF BACHELOR OF BUSINESS IN INFORMATION TECHNOLOGY

BIT 211

BCOM

BBL

BUSINESS LAW

END TERM EXAMINATION

DATE: APRIL, 2026 **TIME: 3 HOURS**

INSTRUCTIONS: Question One is Compulsory, Choose Three Other Questions

SECTION A (COMPULSORY)

QUESTION ONE (10 MARKS)

Case Study: Supply Contract Disagreement at Delta Enterprises Ltd

Delta Enterprises Ltd contracted Gamma Wholesalers Ltd to supply computer accessories. The contract required delivery within 30 days. Delivery was made after 50 days, and several items did not meet the agreed specifications. Delta Enterprises accepted part of the consignment but refused to pay for the defective items. Gamma Wholesalers claim full payment, arguing that market shortages affected quality and timelines.

Required:

a) Explain four essential elements of a valid contract evident in the case. (4 marks)

b) Examine three rights of the buyer in relation to the defective goods. (3 marks)

c) Propose two legal remedies available to Delta Enterprises Ltd for breach of contract. (3 marks)

SECTION B (ANSWER ANY THREE QUESTIONS)

QUESTION TWO (10 MARKS)

a) Analyze three types of authority of an agent applicable in commercial transactions. (6 marks)

b) Examine two statutory duties of employers under the Employment Act, 2007. (4 marks)

QUESTION THREE (10 MARKS)

a) Assess three modes through which contracts may be discharged in business practice. (6 marks)

b) Distinguish between two negotiable instruments used in facilitating credit transactions. (4 marks)

QUESTION FOUR (10 MARKS)

a) Evaluate thee principles of insurance and their application in business risk management. (6 marks)

b) Explain two exceptions to the doctrine of privity of contract. (4 marks)

QUESTION FIVE (10 MARKS)

a) Analyze three circumstances that may lead to dissolution of a partnership. (6 marks)

b) Examine four advantages of incorporation of a company over sole proprietorship. (4 marks)

QUESTION SIX (10 MARKS)

a) Assess three sources of Kenyan law influencing business regulation .(6 marks)

b) Explain two legal consequences of operating a business without registration. (4 marks)