



OFFICE OF THE DEPUTY VICE CHANCELLOR  
ACADEMICS, STUDENT AFFAIRS AND RESEARCH

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**UNIVERSITY EXAMINATIONS**  
**2022 /2023 ACADEMIC YEAR**  
**SECOND YEAR FIRST SEMESTER REGULAR**  
**EXAMINATION**

**FOR THE DIPLOMA IN**  
**BUSINESS MANAGEMENT**

**COURSE CODE: DBM 011**  
**COURSE TITLE: BUSINESS LAW**

**DATE:06/11/2022**

**TIME: 9.00am-12.00**

**INSTRUCTION TO CANDIDATES**

- SEE INSIDE

**THIS PAPER CONSISTS OF 3 PRINTED PAGES PLEASE TURN OVER**

**INSTRUCTIONS TO CANDIDATES**

- i. Answer Question **ONE** and any other **TWO** questions .
- ii. Do not write on the question paper.

**Question One**

a. Distinguish the following:

- i. Real property and personal property (4 marks)
- ii. Legal interests and equitable interests (4 marks)

b. Describe circumstances under which the right to rescind a contract would be lost by the parties to the contract (10 marks)

c. Explain the meaning and significance of the principle of double insurance (6 marks)

d. In relation to the law of property summarize the implied covenants by a landlord in a lease agreement (6 marks)

**Question two**

- i. Define the term law and state the main purpose of law (10 marks)
- ii. Explain any five disadvantages of case law as a source of law (10 marks)

**Question three**

- i. Explain the circumstances under which money paid under a contract marred with illegality would be recoverable (5 marks)
- ii. Explain the duties of an agent to his principal (10 marks)
- iii. Explain the process of passing a bill into law (5 marks)

**Question four**

- a. A contract of insurance is a contract of 'uberrimae fidei' (utmost good faith). Explain this statement (6 marks)
- b. Outline the consequences of non-disclosure of material facts in a contract of insurance (14 marks)

**Question five**

- i. Outline characteristics of a promissory note (6 marks)
- ii. Examine the principles relating to contractual capacity of minors (6 marks)
- iii. Highlight four factors necessary for a custom to be relied upon as law (8 marks)