



Kasarani Campus  
Off Thika Road  
Tel. 2042692 / 3  
P. O. Box 49274, 00100  
NAIROBI  
Westlands Campus  
Pamstech House  
Woodvale Grove  
Tel. 4442212  
Fax: 4444175

**KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**UNIVERSITY EXAMINATION, 2022/2023 ACADEMIC YEAR**  
**THIRD YEAR, FIRST SEMESTER EXAMINATION**  
**FOR THE DEGREE OF BACHELOR OF EDUCATION (ARTS)**

Date: 7<sup>th</sup> December, 2022  
Time: 11.30am –1.30pm

**KBA 2301 - BUSINESS LAW**

**INSTRUCTIONS TO CANDIDATES**

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**ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS**

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**QUESTION ONE (30 MARKS)**

**JIKO COMPANY LIMITED**

Nairobi County is home to the multinational corporation JIKO Company Limited. Due to financial limitations, multinationals are by nature extremely complex organizations. Their strategies are tied to the management of a variety of businesses or divisions dispersed across a number of different countries, which further complicated matters. The control of a broad range of business centers that are geographically dispersed necessitates highly sophisticated control systems, whether centralized or decentralized. Organizations are becoming more complex and more competitive as the nature of work changes as a result of globalization and technological advancements. In order to address these issues and maintain its relevance in the global market, JIKO Company Limited was forced to downsize, outsource, and contract hiring. Later, the human resource manager fired the employees without following the right process due to pressure from the management, which led to numerous lawsuits. Additionally, the employees' job dissatisfaction, lack of commitment, and intention to leave were associated effects of these pressures, and overall, the effects were tension, burnout, and stress, which had detrimental effects on both the workers and the organizations.

Due to the evolving nature of the employment relationship, it is more crucial than ever to comprehend how organizational culture, stress at work, and organizational commitment are changing. Profitably, JIKO company ltd was doing well. Changes in the market meant the company was now experiencing losses after being consistently profitable for many years. It set out to fully transform the market in order to reclaim its position as the leader. The company then started a significant restructuring program and signed significant contracts in order to improve its performance. Although the changes were taking effect, they came at a high cost, and although sales and profitability increased, it was at a slower rate than anticipated. Stress-related issues were being experienced by workers across the board. According to stress psychoanalysis, middle level managers were the ones who were under the most stress as a result of the abrupt changes, particularly because they felt like they had no control over the situation.

An additional analysis supported the conclusion that the main source of stress had been the restructuring program, which made it more challenging for staff to adapt to changes as they were implemented. As a result of intense pressure, restructuring some employees started to experience mental illness as a result of the work process and the stress that they were under.

**Required**

- a) You have been called upon to give a speech at JIKO Company Limited on the “How law promotes business activities in Kenya”. Prepare an outline of your presentation capturing all the necessary details (6 Marks)
- b) Advise the management of JIKO Company Limited on the statutory regulations for summary dismissal according to section 17 of the Employment Act of 2007 of the laws of Kenya (6 Marks)
- c) With reference to a contract for the sale of goods, and in the absence of any special agreement, explain to the employees and management of JIKO Company limited when does the property in the goods pass to the buyer. (6 Marks)
- d) Advise the management of JIKO Company Limited on the vitiating factors that affect the validity of the contracts in modern organizations. (8 Marks)
- e) The management of JIKO Company Limited wants to enter into valid, void and voidable contracts with its customers. Explain to them the differences between the three types of contracts. (6 Marks)

**QUESTION TWO ( 20 MARKS)**

- a) Differentiate a crime from a civil wrong as used in Law. (10 Marks)
- b) Describe the functions of the law of torts as adopted by business people. (10 Marks)

**QUESTION THREE ( 20 MARKS)**

- a) Analyze the requirements of a valid bill of exchange as uses in business. (10 Marks)
- b) Evaluate implied conditions and warranties of a hire-purchase agreement according to Section 8 of the Hire Purchase Act Cap.507 of the laws of Kenya. (10 Marks)

**QUESTION FOUR ( 20 MARKS)**

- a) Explain the various reasons of depriving an individual the Kenyan Citizenship. (10 Marks)
- b) Evaluate the main divisions of civil law. (10 Marks)

**QUESTION FIVE ( 20 MARKS)**

- a) Analyze the remedies in respect of trespass to land in Kenya. (10 Marks)
- b) Examine the essential characteristics of a contract of sale of goods. (10 Marks)