



CPA FOUNDATION LEVEL

CS FOUNDATION LEVEL

CCP FOUNDATION LEVEL

INTRODUCTION TO LAW AND GOVERNANCE

TUESDAY: 25 April 2023. Morning Paper.

Time Allowed: 3 hours.

Answer any FIVE questions. ALL questions carry equal marks. Do NOT write anything on this paper.

QUESTION ONE

- (a) Identify **FOUR** grounds for refusal of registration of a trademark. (4 marks)
- (b) List **FIVE** types of substantive law. (5 marks)
- (c) In relation to the sale of goods, state **FIVE** forms of delivery. (5 marks)
- (d) Examine the rule in Rylands Vs. Fletcher as established under the Law of Torts,. (6 marks)
- (Total: 20 marks)**

QUESTION TWO

- (a) Summarise **FOUR** differences between “civil” and “criminal cases”. (8 marks)
- (b) Discuss any **SIX** ways in which a partnership may dissolve without courts’ intervention. (12 marks)
- (Total: 20 marks)**

QUESTION THREE

- (a) With reference to Law of Contract, explain the following terms:
- (i) Void contract. (2 marks)
- (ii) Punitive damages. (2 marks)
- (b) With regards to the Law of Contract, state **SIX** rules of revocation of an offer. (6 marks)
- (c) Describe **FIVE** specific agents under the Law of Agency. (10 marks)
- (Total: 20 marks)**

QUESTION FOUR

- (a) In relation to partnerships, explain the following:
- (i) Liability of a retiring partner. (2 marks)
- (ii) Liability of an incoming partner. (2 marks)
- (iii) Liability of a minor partner. (2 marks)
- (b) Joseph, a 17-year-old boy was playing football with Dan, his friend aged 16 years. As they were playing, Joseph kicked the ball over the fence into Susan’s compound. Susan was away at the time. Joseph decided to jump over the fence to get the ball. As he jumped, he hit his head and fell into a ditch that had been left uncovered by Susan thus suffering a concussion. Joseph’s parents are considering taking legal action against Susan.
- Discuss the legal issue arising from this case. (4 marks)

- (c) With reference to alternative dispute resolution, outline **THREE** features of arbitration. (3 marks)
- (d) Proper etiquette fosters good manners and an acceptable way of dealing with others.

With reference to the above statement, describe **SEVEN** rules of etiquette that are necessary to ensure a thriving workplace. (7 marks)

(Total: 20 marks)

QUESTION FIVE

- (a) Mariana was travelling from Nairobi to Mombasa by a bus operated by Safina Travellers Bus Company. At the booking office, she paid her fare for the journey including a charge for the luggage she was carrying and was issued with a ticket. On the rear side of the ticket, were warnings to the travellers that the safety of their luggage was solely their business and that if any luggage got lost, the bus company would not be liable for such loss. Upon arrival in Mombasa, Mariana could not find her luggages and raised the issue with Safina Travellers Bus Company management who denied any responsibility and referred her to the clauses in the ticket.

Advise Mariana on her rights in the circumstances. (6 marks)

- (b) Describe the procedure of making laws in parliament. (8 marks)
- (c) Identify **SIX** challenges of common law that equity sought to mitigate. (6 marks)

(Total: 20 marks)

QUESTION SIX

- (a) With respect to corporate governance:

- (i) Distinguish between “agency theory” and “stewardship theory”. (4 marks)

- (ii) Identify **SIX** causes of agency problem in organisations. (6 marks)

- (b) Your classmate, Benjamin Mugambi has been absent for a while due to sickness and missed the class on Law of Torts. He has approached you to help him in revising for his CPA examinations.

Explain to him **FIVE** torts that exist under the Law of Torts. (10 marks)

(Total: 20 marks)

QUESTION SEVEN

- (a) Explain the term “Administrative Law”. (2 marks)

- (b) In relation to the law of insurance, the insurer is not bound to accept the offer, however, if the insurer accepts the offer, it signifies a contractual relationship between the two parties.

With reference to the above statement:

- (i) List any **FOUR** particulars in a proposal form. (4 marks)

- (ii) State **FOUR** ways the insurer may signify acceptance of the proposal form. (4 marks)

- (c) With reference to contract of guarantee, outline **FIVE** rights of a guarantor against a creditor. (5 marks)

- (d) Highlight **FIVE** powers of the Court of Appeal. (5 marks)

(Total: 20 marks)

.....