



**REPUBLIC OF KENYA**

**COMPETENCY-BASED MODULAR CURRICULUM**

**FOR**

**ACCOUNTANCY**

**KNQF LEVEL 6**

**(CYCLE 3)**

**PROGRAM CODE: 0411 551A**



TVET CDACC  
P.O. BOX 15745-00100  
NAIROBI

## **PRINCIPLES OF COMMERCIAL LAW**

**UNIT CODE:** 0421 551 05A

**TVET CDACC UNIT CODE:** BUS/CU/AC/CC/04/6/MA

**UNIT DURATION:** 80 Hours

**Relationship to Occupational Standards;** this unit addresses the Unit of Competency:

Apply Principles of Commercial Law

### **UNIT DESCRIPTION**

This unit specifies the competencies required to apply principles of commercial law. It involves demonstrating an understanding of nature of law, Illustrating the structure of court system in Kenya, applying law of tort, law of contract, law of sale of goods, hire purchase contracts, law of agency, law of negotiable instruments, the law of insurance and law of property.

### **Learning outcomes**

<b>S/NO</b>	<b>ELEMENTS</b>	<b>DURATION (HOURS)</b>
1	Demonstrate understanding of nature of law	<b>6</b>
2	Illustrate structure of court system in Kenya	<b>8</b>
3	Apply law of Tort	<b>6</b>
4	Apply law of Contract	<b>8</b>
5	Apply law of Agency	<b>8</b>
6	Apply law of Sale of Goods	<b>8</b>
7	Apply hire purchase contracts	<b>8</b>

8	Apply law of negotiable instruments	<b>8</b>
9	Apply law of insurance	<b>10</b>
10	Apply law of property	<b>10</b>
		<b>TOTAL 80 HOURS</b>

### **Learning Outcomes, Content and Suggested Assessment Methods**

<b>Learning outcome</b>	<b>Content</b>	<b>Suggested Assessment Methods</b>
1. Demonstrate understanding of nature of law	1.1 Nature of law 1.2 Purpose of law 1.3 Sources of law. 1.3.1 Constitution 1.3.2 Legislation 1.3.3 Common law 1.3.4 Equity 1.3.5 African customary law 1.3.6 Islamic law 1.4 Classifications of Commercial Law 1.4.1 Written and unwritten 1.4.2 National and international 1.4.3 Public and private 1.4.4 Substantive and procedural 1.4.5 Criminal and civil 1.5 Comparison between Law and	<ul style="list-style-type: none"> <li>• Practical assessment</li> <li>• Project</li> <li>• POE evaluation</li> <li>• Third party reports</li> <li>• Written tests</li> </ul>

	Morality	
2 Illustrate structure of court system in Kenya	<p>2.1 Court structure in Kenya</p> <p>2.2 Composition of Kenyan courts</p> <p>2.2.1 Supreme Court</p> <p>2.2.2 Court of Appeal</p> <p>2.2.3 High Court</p> <p>2.2.4 Employment and Labour Relations Court</p> <p>2.2.5 Environment and Land Court</p> <p>2.2.6 Magistrates Court</p> <p>2.2.7 Court Martial</p> <p>2.2.8 Kadhis' Court</p> <p>2.3 Jurisdiction of Courts.</p> <p>2.3.1 Original</p> <p>2.3.2 Appellate</p> <p>2.3.3 Territorial.</p> <p>2.3.4 Pecuniary</p> <p>2.4 Procedure of appointment and removal of magistrates and judges</p> <p>2.5 Tribunals</p> <p>2.6 The role of the JSC, AG, LSK, and ODPP in the Kenyan legal system.</p>	<ul style="list-style-type: none"> <li>• Practical assessment</li> <li>• Project</li> <li>• POE evaluation</li> <li>• Third party reports</li> <li>• Written tests</li> </ul>

3 Apply law of Tort	<p>3.1 Nature of tortious liability</p> <p>3.2 Tort, crime vs breach of contract</p> <p>3.3 Capacity to sue /be sued by the law of tort.</p> <p>3.4 Types of tort.</p> <p>3.4.1 Negligence</p> <p>3.4.2 Defamation</p> <p>3.4.3 Nuisance</p> <p>3.4.4 Trespass</p> <p>3.5 General defences in tort</p> <p>3.6 Elements of tort</p>	<ul style="list-style-type: none"> <li>• Practical assessment</li> <li>• Project</li> <li>• POE evaluation</li> <li>• Third party reports</li> <li>• Written tests</li> </ul>
4 Apply law of Contract	<p>4.1 Essential of a valid contract</p> <p>4.2 Types of Contracts</p> <p>4.3 Methods of discharging a contract.</p> <p>4.4 Remedies of breach of a contract</p> <p>4.5 Terms of contract</p>	<ul style="list-style-type: none"> <li>• Practical assessment</li> <li>• Project</li> <li>• POE evaluation</li> <li>• Third party reports</li> <li>• Written tests</li> </ul>
5 Apply law of Agency	<p>5.1 Formation and classification of agents</p> <p>5.1.1 General agent</p> <p>5.1.2 Special agent</p> <p>5.2 Agents' authority</p> <p>5.3 Duties of agents</p> <p>5.4 Rights of Agents</p> <p>5.5 Methods of terminating an agency.</p>	<ul style="list-style-type: none"> <li>• Practical assessment</li> <li>• Project</li> <li>• POE evaluation</li> <li>• Third party reports</li> <li>• Written tests</li> </ul>

<p>6 Apply law of Sale of Goods</p>	<p>6.1 Sale and agreement to sell</p> <p>6.2 Capacity to buy and sell.</p> <p>6.3 Terms of Sale of Goods.</p> <p>6.3.1 Conditions</p> <p>6.3.2 Warranties</p> <p>6.4 Doctrine of caveat emptor</p> <p>6.5 Factors affecting the transfer of title.</p> <p>6.6 Rights of parties in the sale of goods.</p> <p>6.7 Auction process.</p> <p>6.8 Duties of the seller</p> <p>6.9 Duties of the buyer.</p>	<ul style="list-style-type: none"> <li>• Practical assessment</li> <li>• Project</li> <li>• POE evaluation</li> <li>• Third party reports</li> <li>• Written tests</li> </ul>
<p>7 Apply hire purchase contracts.</p>	<p>7.1 Nature of Hire Purchase</p> <p>7.2 Hire purchase agreement.</p> <p>7.3 Conditions of Terminating Hire Purchase Agreement.</p> <p>7.4 Completion of hire purchase agreement.</p>	<ul style="list-style-type: none"> <li>• Practical assessment</li> <li>• Project</li> <li>• POE evaluation</li> <li>• Third party reports</li> <li>• Written tests</li> </ul>
<p>8 Apply law of negotiable instruments</p>	<p>8.1 Negotiable instruments.</p> <p>8.1.1 Cheques</p> <p>8.1.2 Bill of exchange</p> <p>8.1.3 Promissory note</p> <p>8.2 Characteristics of negotiable instruments.</p> <p>8.3 Elements of negotiable instruments.</p>	<ul style="list-style-type: none"> <li>• Practical assessment</li> <li>• Project</li> <li>• POE evaluation</li> <li>• Third party reports</li> <li>• Written tests</li> </ul>

<p>9 Apply law of insurance</p>	<p>9.1 Insurance contracts</p> <p>9.1.1 Elements of insurance.</p> <p>9.2 Principles of insurance.</p> <p>9.2.1 Utmost good faith.</p> <p>9.2.2 Subrogation</p> <p>9.2.3 Indemnity</p> <p>9.2.4 Proximate cause</p> <p>9.2.5 Third party insurance</p> <p>9.2.6 Re-instatement.</p> <p>9.2.7 Salvage.</p> <p>9.2.8 Contribution and appointment.</p> <p>9.3 Formation of insurance contract</p> <p>9.4 Requirement for insurance contract.</p> <p>9.5 Discharge of insurance contract.</p>	<ul style="list-style-type: none"> <li>• Practical assessment</li> <li>• Project</li> <li>• POE evaluation</li> <li>• Third party reports</li> <li>• Written tests</li> </ul>
<p>10 Apply law of property.</p>	<p>10.1 Classifications of property</p> <p>10.1.1 Real and personal</p> <p>10.1.2 Movable</p> <p>10.1.3 Immovable</p> <p>10.1.4 Tangible</p> <p>10.1.5 Intangible.</p> <p>10.2 Land interest.</p> <p>10.3 Intellectual property.</p> <p>10.3.1 Patents</p> <p>10.3.2 Trademarks</p> <p>10.3.3 Copyrights</p> <p>10.3.4 Industrial designs</p>	<ul style="list-style-type: none"> <li>• Practical assessment</li> <li>• Project</li> <li>• POE evaluation</li> <li>• Third party reports</li> <li>• Written tests</li> </ul>

#### **Suggested Methods of Delivery**

- Practical work by trainees
- Group discussions

- Role play
- Case study
- Assignments

### Recommended Resources for 25 Trainees

S/No.	Category/Item	Description/ Specifications	Quantity	Recommended Ratio (Item: Trainee)
<b>A</b>	<b>Learning Materials</b>			
1.	Charts	• Flip Charts	5	1:6
<b>B</b>	<b>Learning Facilities &amp; Infrastructure</b>			
2.	Lecture/Theory Room	(9* 8 sq. metres)	1	1:30
3.	Internet Connection	WI-FI, Dial-Up, Cable, Fixed- wireless,	1	1:30
<b>C</b>	<b>Consumable Materials</b>			
4.	Markers	whiteboard markers and permanent markers	5	1:6
5.	Stationery	Printing Papers, Foolscaps	5 reams	1:6
6.	Files / folders		30	1:1
7.	Flash disks		5	1:6
<b>D</b>	<b>Tools And Equipment</b>			
8.	Computers/Laptops	Any model	30	1:1
9.	Projector	LED.LCD, Laser	1	1:30



10.	Whiteboard	Glass, melamine, porcelain	1	1:30
11.	Staplers		2	1:15
12.	Paper punch		2	1:15
13.	Metallic cabinet		1	1:30
14.	Scanner		2	1:15
15.	Printer		1	1:30
16.	Print toners		2	1:15
17.	Shredding machine		1	1:30

### References

Adams, A. (2014). *Law for business students* (8<sup>th</sup> ed.). Pearson.

Miller, R. L., & Cross, F.B. (2018). *Business law: Text and cases*. Cengage Learning.