



**KISII UNIVERSITY**  
**UNIVERSITY EXAMINATIONS**

**SPECIAL EXAMINATIONS**  
**SECOND YEAR EXAMINATION FOR THE AWARD OF THE**  
**DEGREE OF BACHELOR OF LAWS**  
**SECOND SEMESTER, 2021/2022**  
**(FEBRUARY - JUNE, 2022)**

**LLBK 223: EQUITY AND TRUST**

**STREAM: Y2 S2**

**TIME: 2 HOURS**

**DAY: FRIDAY, 8:00 – 10:00 A.M.**

**DATE: 22/07/2022**

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**INSTRUCTIONS**

- 1. Do not write anything on this question paper.***
- 2. Answer question ONE (Compulsory) and any other TWO questions.***
- 3. Illustrate your answer with relevant cases and statutory provisions where applicable.***

**QUESTION ONE**

- Write explanatory notes on the interplay of the doctrines of equity and development of trusts.  
(7 Marks)
- Lavishing Investment enters into a contract in which they are to develop a block of flats for your client Plusfod Apartments. Do an opinion to your client on a request by Livshing Investments to transfer this contract to Kubwa Builders, and the requirements and any restriction on such transfer.  
(12 Marks)
- Render a legal opinion to your client Plusfod Apartments on the fiscal advantages of placing the unsold apartments placed under a trust as they are being marketed.  
(11 Marks)

## **QUESTION TWO**

- a. With case law and illustrations, set a basis for the equitable support of the processes of interpleading, and class action.  
(8 Marks)
- b. Kaluna has been considered for appointment as a trustee and seeks your opinion on how her position as a trustee can be secured against claims for indemnity for actions committed as a trustee. Further advise Kaluna on what he needs to do in an instance where he received a Rates Demand for a property of the trust which he paid from funds sourced outside the trust.  
(12 marks)

## **QUESTION THREE**

- a. Rari and Fari are beneficiaries of a trust who approach you seeking advise on how the trust document can be structured. They desire that the income generated from the trust property can be used exclusively to pay off university fees for Fari until she completes her studies, whereafter the income shall be applied to both beneficiaries.  
(10 Marks)
- b. Rari and Fari are worried that the fiscal authorities have devised a plan to divert the income of the trust derived from its leasing of an orchard, thereby reducing what comes to the trust. They approach you to challenge the yet to be formalized fiscal measures and advise them on the pillars of the application you shall file to secure their interest.  
(10 Marks)

## **QUESTION FOUR**

- a. Hubna is a beneficiary of a will where the bequest is saddled with various liabilities. Advise her on how she can benefit from the property even while paying off the liabilities. Explain to her the essential pillars of her option in the estate.  
(13 Marks)
- b. Explain to Hubna the essential features of a complete trust.  
(7 Marks)

## **QUESTION FIVE**

- a. Darma is a commissioned soldier serving as a peacekeeper in an African country. During his commission he has made several bequests so that in the event he is mortally injured his estate can be well settled. He

approaches you seeking your opinion on the legality of the bequests and how these differ from the giving of an advancement.

(12 Marks)

b. Explain the period of enlightenment in the development of Equity.

(8 Marks)