



ZIMBABWE EZEKIEL GUTI UNIVERSITY
FACULTY OF BUSINESS, ECONOMICS AND ACCOUNTING
DEPARTMENT OF ACCOUNTING AND FINANCE

EXAMINATION PAPER

COURSE CODE : CAC 110
COURSE TITLE : COMMERCIAL LAW
SPECIAL REQUIREMENTS :
DURATION : 3 Hours
LEVEL : 1.2
DATE : 25 OCT 2021

INSTRUCTIONS TO CANDIDATES:

1. No cell phones are allowed in the examination venue.
2. Answer **all** questions.
3. Begin each question on a new page.
4. The number of marks for each question or part question is shown in brackets []

Question 1

Martin is married to Agnes and they have two minor children. Martin's house was destroyed by fire and so he approached Erick who was leasing out one of his three bedroomed apartments. Erick wanted someone who would stay in the apartment for only three years. Martin had no problems with that. The two entered into an agreement in a three years agreement in which Martin would stay at Erick's apartment at a rate of \$150 per month. During the second year of Martins' stay, Erick decided to sale the apartment to Frank. The two concluded the sale and now, Frank seeks immediate eviction of Martin and his family from the apartment, Erick is alleging that he now has nothing to do with the apartment since he is no longer the owner of the property. Martin is afraid that he may become homeless.

- a. What kind of agreement/contact did Martin and Erick enter into? [2marks]
- b. Draft the document/agreement that you have identified above and include all the essential features expected in that agreement. [15marks]
- c. Discuss the legal remedies and implications posed to Martin, Erick and Frank in the above scenario [8marks]

[Total 25marks]

Question 2

- a. What do you understand by a contract of agency and what are the essential elements? [10marks]
- b. Discuss the duties of a principal and that of an agent under the law of agency [10 marks]
- c. What are the remedies that are available to the agent if there is a breach by the principal? [5marks]

[Total 25marks]

Question 3

- a. Identify and explain the characteristics of a good law [5 marks]
- b. Identify and explain the five generally recognised sources of law [10 marks]
- c. What is the purpose of law? [5 marks]
- d. What are the essential elements of a contract? [5 marks]

[Total 25marks]

Question 4

- a. Peter holds a gun to John's head and threatens to pull the trigger if John does not sell him his house. John then signs an agreement to sell the house to Peter. Peter then approaches you for legal assistance.

incident John approached you for legal assistance.

advise that you would give to John in the circumstances. Clearl

- b. What are the requirements that a misrepresentation must comply with before it can afford ground for avoidance of an agreement **[5 marks]**
- c. Give at least 3 categories of people that are considered by the law as not having contractual capacity, give a brief outline as to why they are considered as such **[10marks]**

[Total 25marks]

END OF EXAMINATION QUESTION PAPER