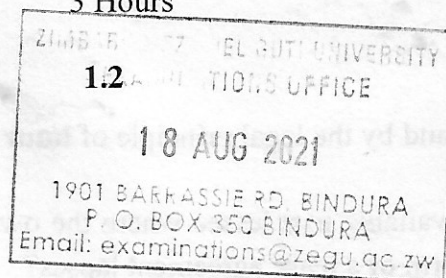




**ZIMBABWE EZEKIEL GUTI UNIVERSITY**  
**FACULTY OF BUSINESS, ECONOMICS AND ACCOUNTING**  
**DEPARTMENT OF ACCOUNTING AND FINANCE**

**EXAMINATION PAPER**

**COURSE CODE** : CAC 110  
**COURSE TITLE** : **COMMERCIAL LAW**  
**SPECIAL REQUIREMENTS** :  
**DURATION** : 3 Hours  
**LEVEL** :  
**DATE** :



**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

Bulk Buyer is in the business of selling agricultural produce which he source from various farmers. He entered into an agreement with a rice farmer in which, the rice farmer was going to cultivate seven hectors of rice and sale 1 000 tonnes of the produce to Bulk Buyer at a price of \$100 per tonne. Bulk Buyer was asked to pay a deposit of \$1 000 as security for the deal which he did pay on the day of signing the agreement. The rice was to be delivered after 3 months from the date of signing the agreement. The rice farmer planted the rice as agreed but however during the second month there was a flood which destroyed the whole field of rice. The rice farmer immediately notified Bulk Buyer of the developments but Bulk Buyer is insisting that the rice farmer should deliver the rice as agreed.

- a. You are approached by Bulk Buyer to draft a contract between him and the Rice Farmer. Draft the contract and make sure that you include all the essential elements of a contract.

[15 marks]

- b. Discuss the legal remedies available to both Bulk Buyer and Rice Farmer arising from the unfortunate event.

[10 marks]

[Total 25marks]

### Question 2

- a. Discuss the seller's duty to guarantee against defects. In your answer give details on both patent and latent defects? What are the remedies available to the purchaser against such defects

[15 marks]

- b. In what instances can a purchaser decline delivery and what are the remedies available to the Seller in such instances?

[10 marks]

[Total 25marks]

### Question 3

- a. What do you understand by the legal principle of **huur gaat voor koop** [5 marks]
- b. What remedies are available to a lessee where the owner of the property decides to sale the property before the term of a lease agreement lapses? [5 marks]

- c. What are the duties of a lessor and that of a lessee in a lease agreement [10 marks]

- d. What are the remedies available to a leaser if the lessor is in material breach of a lease agreement [5 marks]

[Total 25marks]

### Question 4

- a. Define and differentiate a void and a voidable contact [8 marks]
- b. Give and explain instances or grounds upon which a contact may be deemed void or voidable [5 marks]

- c. What remedies are available to the seller and the purchaser if a sale is deemed void or voidable [8 marks]

- d. what are the essentials of a contact of sale [4 marks]

[Total 25marks]