



**ZIMBABWE EZEKIEL GUTI UNIVERSITY**

**FACULTY OF LAW, BUSINESS INTELLIGENCE AND ECONOMICS**

**DEPARTMENT OF ACCOUNTING, FINANCE AND HUMAN CAPITAL MANAGEMENT**

**EXAMINATION PAPER**

**COURSE CODE** : CAC 122  
**COURSE TITLE** : BUSINESS LAW  
**SPECIAL REQUIREMENTS** :  
**DURATION** : 3 Hours  
**LEVEL** : 1.2  
**DATE** : 08 APR 2024

**INSTRUCTIONS TO CANDIDATES:**

1. No cell phones are allowed in the examination venue.
2. Answer **all** questions in all sections.
3. Begin each question on a new page.
4. The number of marks for each question or part question is shown in brackets [ ]
5. This question paper consists of 5 pages

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**Section A: Multiple choice [20 marks]**

**Each question in this section carries 2 marks.**

1. Which of the following indicates partnership?

- A. Joint tenancy
- B. Tenancy in common
- C. Receipt of annuity
- D. Sharing of profits
- E. Sharing of gross returns

2. Which of the following is not a source of law

- A. High Court
- B. Precedence of other cases
- C. Customary
- D. Legislation

3. Which of the following is **not** an invitation to treat?

- A. Display of goods in a shop window
- B. Auction
- C. Invitation to tender
- D. Advertisement of goods in periodicals
- E. Sale of necessaries

4. Agency of necessity may be created in all the following circumstances **except** where it is

- A. An emergency
- B. Impossible to communicate with the principal
- C. Retain customers
- D. An action in good faith
- E. To prevent irreparable loss

5. The rights of a buyer of goods include the following **except**

- A. Action for damages for non-delivery
- B. Specific performance
- C. *Stoppage in transitu*
- D. Action for detinue
- E. Repudiation

6. The hirer in a contract for hire purchase has the following rights except

- A. Use the goods
- B. Quiet possession of the goods
- C. Know the exact instalments to be paid
- D. Choose the insurer if the goods is motor vehicle
- E. Repossess the goods

7. In law, no one has an insurable interest in

- A. His own life
- B. The life of his spouse
- C. The assets of a company in which he is a shareholder

- D. An event the loss of which will prejudice him
- E. A personal building

8. Which of the following are parties to a cheque?

- A. The bank and its customer
- B. The drawer and the drawee
- C. The bank, drawee and payee
- D. The drawee, payee, and drawer
- E. The bank, its customer and the drawer

9. An offer may lapse by:

- a) Revocation
- b) Counter offer
- c) Rejection by offeree
- d) All of the above
- e) None of the above

10. Which ONE of the following phrases indicates that the court will consider its judgment?

- a. stare decisis.
- b. obiter dictum.
- c. curia advisari vult.
- d. ratio decidendi.

**Section B [80 marks]**

**Answer all questions in this section**

**Question 1**

- a. Bangajena Soweto is a Fund Manager at Nothando Asset Management. He organizes a networking Dinner for local investment bankers and fund managers in order to raise funds for their new investment product. One of the most prominent and influential fund managers is a well-known Afro Jazz fanatic. Bangajena hires Mbehlo of Ndau tribe, a popular jazz outfit to entertain his guests, he hopes to impress this fund manager. Mbehlo's management charges Bangajena a total of US\$900 for the performance. Bangajena pays an initial deposit of US600, and commits to settle the balance after the event.

Unfortunately, Mbehlo tests Covid positive a few days before the event, and he sends Farai Nhodo to perform in his stead. Bangajena is furious and he refuses to settle the balance. In fact, he demands a refund of the initial deposit paid!

**Required**

In your assessment, who owes the other and how much? Justify your answer. [8 marks]

- b. Are the three arms of the state independent? Discuss and fully justify your response.

[12 marks]

[Total 20marks]

**Question 2**

- 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 requirements must be met for a custom to be recognised as a legal rule? [5 marks]

### Question 3

- a. Chiedza and Nhamo are childhood friends and they started a horticulture project in their rural village in Checheche over 5 years ago. The business was funded from their personal savings and loans from relatives and friends. The two have been supplying the local market. Anatoria, their UK based cousin has advised them that they could expand their revenues by tapping into the export market, however they would need to formalise (register) their business and raise more capital to increase their production capacity. Chiedza is excited by the news, however Nhamo is worried about the challenges that come with a formal structure as well as their ability to raise the required US\$100,000 that is needed in order to take advantage of the opportunity presented by Anatoria.

#### Required

Explain three (3) types of business organisations that they could adopt, highlighting the merits of each.

[12 marks]

- b. The parole evidence rule generally makes evidence of agreement not appearing in a written contract inadmissible. However, the rule allows for some exceptions. Briefly describe 4 such exceptions.

[8 marks]

[Total 20marks]

### Question 4

- a. Critically analyse the concept of presidential assent, with respect to legislation in Zimbabwe.

[5 marks]

- b. Explain the concepts of **Ratio Decidendi** and **Stare Decisis**. What role do these two play in developing the laws of a country?

[5 marks]

- c. What do you understand by a contract of agency and what are the essential elements?

[5 marks]

- d. Outline the duties of a lesser and that of a lessee under a contract of lease.

[5 marks]

[Total 20marks]

**END OF EXAMINATION QUESTION PAPER**