



ZIMBABWE EZEKIEL GUTI UNIVERSITY

FACULTY OF LAW, BUSINESS INTELLIGENCE AND ECONOMICS

DEPARTMENT OF ACCOUNTING AND HUMAN CAPITAL MANAGEMENT

EXAMINATION PAPER

COURSE CODE : CAC 122
COURSE TITLE : BUSINESS LAW
DURATION : 3 Hours
DATE : 28 JUL 2025

INSTRUCTIONS TO CANDIDATES:

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

Section A: Multiple Choice Questions (10 marks)

1. What is the main purpose of the Contract Act in Zimbabwe?

- A) To regulate employment law
- B) To regulate company law
- C) To regulate contract law
- D) To regulate tax law

2. Which of the following is an essential element of a valid contract?

- A) Offer,
- B) Acceptance
- C) Consideration
- D) All of the above

3. What is the difference between a unilateral contract and a bilateral contract?

- A) A unilateral contract is a one-sided contract, while a bilateral contract is a two-sided contract
- B) A unilateral contract is a verbal contract, while a bilateral contract is a written contract
- C) A unilateral contract is a formal contract, while a bilateral contract is an informal contract
- D) A unilateral contract is a business contract, while a bilateral contract is a personal contract

4. Who is responsible for ensuring that a contract is valid and enforceable?

- A) The parties to the contract
- B) The court
- C) The lawyer
- D) The witness

5. What is the effect of a contract being declared void?

- A) The contract is terminated

- B) The contract is voidable
- C) The contract is valid and enforceable
- D) The contract is terminated and the parties are restored to their original position

Section B [90 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 Ndaou 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.

[10 marks]

- b. Are the three arms of the state independent? Discuss and fully justify your response. **[10 marks]** **[Total 20 marks]**

Question 2

Identify and explain the characteristics of a good law **[5 marks]**

- a. Identify and explain the five generally recognised sources of law **[5 marks]**
- b. What is the purpose of law? **[5 marks]**
- c. What requirements must be met for a custom to be recognised as a legal rule? **[5 marks]** **[Total 20 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. **[15marks]**

- 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 for such exceptions. **[10marks]**

[Total 25marks]

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

[10 marks]

[Total 25 marks]

END OF EXAMINATION QUESTION PAPER

