



ZIMBABWE EZEKIEL GUTI UNIVERSITY

FACULTY OF BUSINESS, ECONOMICS AND ACCOUNTING

DEPARTMENT OF ACCOUNTING AND FINANCE

EXAMINATION PAPER

COURSE CODE : CAC110
COURSE TITLE : COMMERCIAL LAW
DURATION : 3 Hours
DATE : 15 NOV 2019

INSTRUCTIONS TO CANDIDATES:

1. No cell phones are allowed in the examination venue.
2. Answer one question from Section A and any other three questions from Section B
3. Begin each question on a new page.
4. Each question has a total of 25 marks.
5. The number of marks for each question or part question is shown in brackets []

SECTION A

QUESTION 1

Mr Kashiri is a business person. He entered into an agreement with Kahukumukati in which he would supply him with ten thousand birds every week at a reasonable price. One of the terms of contract was that the birds would be sold *Voetstoots*. They agreed that payment would be in form of bond notes. Mr Kashiri supplied the chickens for two weeks but Kahukumukati failed to pay the reasonable price. He requested that Kashiri allow him to pay the amount at the end of the month and he agreed. At the end of the month Kahukumukati paid what he thought was a reasonable price in the circumstances. Kashiri rejected the payment. He stated that the bond notes have since lost value and therefore he now requires that the payment be done in American dollars. Kashiri stated that the price for the chickens is US\$3 per kilogram. Kahukumukati rejected the new terms. He stated that the money he had paid in Mr Kashiri's bank account was reasonable and he cannot pay anything else in addition to that.

Kahukumukati then noted that the last batch of chickens delivered to him by Mr Kashiri had two birds which were at an advanced stage of decomposition. He confronted Mr Kashiri on the matter but Mr Kashiri denied any wrong doing. He stated that the contract contained a *Voetstoots* clause.

- a) Identify legal issues that arise advise Kahukumukati of remedies available to him. (20 Marks)
- b) How is immovable property delivered? (5 Marks)

SECTION B

QUESTION 2

- a) Explain the duties of a seller. (20 Marks)
- b) Why is it important to reduce the contract of sale of immovable property to writing? (5 Marks)

QUESTION 3

- a) 'Agency by necessity is a concept created to justify creating a binding contract where the principal has not consented.' Discuss. (10 Marks)
- b) What are the duties of a principal? (15 Marks)

QUESTION 4

With the aid of examples, define the following terms

- a) Actio quanti minoris (5 Marks)
- b) Actio redhibitoria (5 Marks)
- c) Caveat subscriptor rule (5 Marks)
- d) Offer and acceptance (5 Marks)
- e) Ratification (5 Marks)

QUESTION 5

- a) Describe the following sources of law;
- i) Legislation/ Statute law (5 Marks)
- ii) Judicial precedent/ Case law (5 Marks)
- iii) Common law (5 Marks)
- b) With the aid of examples, describe the purpose of law? (10 Marks)

END OF PAPER