



ZIMBABWE EZEKIEL GUTI UNIVERSITY

FACULTY OF LAW AND LEGAL SERVICES

PRIVATE LAW DEPARTMENT

EXAMINATION PAPER

MODULE CODE : LLB 325
MODULE TITLE : BANKING AND NEGOTIABLE INSTRUMENTS
DURATION : 3 HOURS
LEVEL : 3
DATE :

24 SEP 2025

INSTRUCTIONS TO CANDIDATES:

Answer **FOUR** questions. Any three questions from section A **and** one from Section B.

Each question from Section (A) carries twenty-five (25) marks and each from Section (B) carries twenty-five (20) marks.

Number of marks for part questions are shown in brackets

Start each question on a new page

This paper consists of three (3) pages

Answer sheets are provided

SECTION A:

Question 1:

Critically discuss the "*in duplum rule*" and its various legal aspects that were highlighted by Gillespie J in *Commercial Bank of Zimbabwe Ltd v MM Builders & Suppliers* HH-140-196.

[25 marks]

Question 2

a) Real security in the form of a mortgage currently gives banks the best possible security our law can grant for loans. Discuss the above statement with reference to the current dynamics of land ownership in Zimbabwe.

[25 marks]

Question 3

a. Discuss the regulation of money laundering in Zimbabwe. In your discussion outline the role of the Reserve Bank of Zimbabwe in restricting or eliminating money laundering activities?

[15 marks]

b. How does technological advancement pose risk to the Reserve Bank of Zimbabwe?

[10 marks]

Question 4

With the aid of examples, distinguish between digital currency, virtual currency and cryptocurrency.

[25 MARKS]

SECTION B

Question 5

Tim borrowed a sum of \$20 000 from More Cash Bank Ltd on 2 January 2020 to buy inputs for farming. He is a new farmer who has a 99-year lease on his farm. At the time of borrowing money, the bank insisted that a surety must sign the agreement. Tim persuaded his 97-year old mother Terry to sign as a surety. Terry did not even understand the contents of the document. His wife signed as a witness to the surety agreement. Tim had been persuaded by the bank to sign an agreement stating that interest on loans will continue accruing without a limit if he has not paid the loan to the bank. As such the capital sum of \$20 000 had accumulated interest up to \$ 80 000. The bank's Lawyers wrote a letter of demand to Tim and Terry demanding the sum of \$ 80 000 being the capital plus interest. Tim and Terry ignored the letter of demand, and the Bank's Lawyers proceeded to issue summons out of the High Court demanding the sum of \$ 80 000 plus any other interest that will accrue during the period of litigation, from Tim and Terry jointly and severally. Tim insisted that the bank should not sue him since it is holding on to his collateral security in the form of a farm.

Advise the parties on their legal rights and obligations.
marks]

[20

Question 6

Thomas Thif stole a cheque book belonging to John Zulu. Zulu was in the habit of keeping all his cheques already signed. Thif forged an amount of \$ 10 000 and proceeded to make a withdrawal from Zulu's bank which he holds with Munyama Bank Ltd. Zulu is seeking legal advice from you on how to recover his stolen money.

[20 MARKS]

END OF EXAMINATION PAPER