



“Investing in Africa’s future”

COLLEGE OF BUSINESS, PEACE, LEADERSHIP & GOVERNANCE

MM203: BUSINESS LAW

END OF SECOND SEMESTER FINAL EXAMINATIONS

NOVEMBER/DECEMBER 2019

LECTURER: C. MUNGUMA

DURATION: 3 HRS

INSTRUCTIONS

Answer **QUESTION 1** from **Section A (COMPULSORY)**

Answer any **THREE** questions from **Section B**

Marks allocated to each question are indicated in brackets at the end of the question.

DO NOT repeat material.

SECTION A

Question 1

Katarina (K) and Patrina (P) are sisters and the sole directors in a private company that is in the business of importing French Wine. They have been in business for the past three years. The company needs a new manager. On 1 July, K and P interview John for the position, and at the end of the interview they offer John the position. John asks if he can have the weekend to think about it. K and P do not say anything in response.

After John leaves the office, K and P, discuss the interview further, and they change their minds. K phones John a few hours later and tells him that the offer for employment has been withdrawn. John tells K that he has already written an email to K and P accepting the position, and that he was just about to send it. K tells John that unfortunately it is too late, and hangs up. John is so aggrieved by the conduct of the company and wishes to sue in the courts. The directors agree that they will re-advertise the position again next week in the hope of finding a suitable person.

- a) Explain and discuss whether a contract was formed between John and the company on the 1st of July? Focus on whether an agreement was reached. [16 marks]
- b) Would John have any prospects of success in the legal suit that he is contemplating? [9marks]

SECTION B

Question 2

- a) With the aid of case law examples explain the concept of impossibility of performance. [10marks]
- b) Analyse the law of restraint of trade explaining if this is justifiable at all. [15marks]

Question 3

- a) "The common law has been changed a great deal by the Labour Act. Zimbabwean employees are given both basic and fundamental rights by the Labour Act." Provide and explain examples of both basic rights and fundamental rights that are given by the Labour Act to employees. [15marks]
- b) Parliament has now provided a statutory retrenchment package to any employees whose contracts are terminated on notice or on other grounds. Discuss if this package is fair and reasonable. [10marks]

Question 4

1. How does warranties operate in an insurance contract in Zimbabwe? [13marks]
2. Explain the doctrine of subrogation. [6marks]

3. How does the Consumer Contract Act regulate exemption clauses? [6marks]

Question 5

Analyse with aid of examples across the business sector the concept of freedom of contract.
[25marks]

Question 6

1. Distinguish between passing of risk and passing of ownership in a sale contract. [12marks]
2. Explain rescission and reduction of the purchase price as a remedies for breach of contract by one of the parties. [13marks]

Question 7

The law allows a party to walk out of a contractual agreement through many doors. Discuss a least five methods of walking out of a contract.

End of Paper