JUNE 2013 EXAMINATION

DATE: 5 JUNE 2013

TIME: 09H00 – 11H00 TOTAL: 100 MARKS

DURATION: 2 HOURS PASS MARK: 40%

(IPL-006)
BUSINESS LAW

THIS EXAMINATION PAPER CONSISTS OF 4 SECTIONS:

SECTION A: CONSISTS OF:
(i) 10 MULTIPLE-CHOICE QUESTIONS (10 MARKS)
(ii) 10 MATCHING-STATEMENT QUESTIONS (10 MARKS)

ANSWER ALL THE QUESTIONS

SECTION B: CONSISTS OF 3 SHORT QUESTIONS
ANSWER ALL THE QUESTIONS (15 MARKS)

SECTION C: CONSISTS OF 4 LONG ANSWER QUESTIONS
ANSWER ALL THE QUESTIONS (45 MARKS)

SECTION D: CONSISTS OF 3 INTERPRETATIVE QUESTIONS
ANSWER ANY ONE OF THE QUESTIONS (20 MARKS)

INSTRUCTIONS:
1. Read the following instructions carefully before answering the paper, as failure to act upon them will result in a loss of marks.
2. Write your answers in your answer book, which is provided in the exam.
3. Ensure that your name and student number are clearly indicated on your answer book.
4. Write your answers in either blue or black ink in your answer book.
5. Read each question very carefully before you answer it and number your answers exactly as the questions are numbered.
6. Begin with the question for which you think you will get the best marks.
7. Note the mark allocations for each question – give enough facts to earn the marks allocated. Don't waste time by giving more information than required.
8. You are welcome to use diagrams to illustrate your answers.
9. Please write neatly – we cannot mark illegible handwriting.
10. Any student caught cheating will have his or her examination paper and notes confiscated. The College will take disciplinary measures to protect the integrity of these examinations.
11. If there is something wrong with or missing from your exam paper or your answer book, please inform your invigilator immediately. If you do not inform your invigilator about a problem, the College will not be able to rectify it afterwards, and your marks cannot be adjusted to allow for the problem.
12. This paper may be removed from the examination hall after the examination has taken place.
(i) **MULTIPLE-CHOICE QUESTIONS**

Choose the correct option for each of the following. Write only the question number and your chosen answer. For instance, if you think that the correct answer for number 1 is (a), then write it as 1. (a).

1. The Consumer Protection Act 68 of 2008 requires that certain documents must be written in:
   
   (a) Latin.  
   (b) plain and understandable language.  
   (c) all official languages.  
   (d) legally correct language.

2. Undue influence is the:
   
   (a) weakening of a person's resistance to make his or her will pliable.  
   (b) offering of a bribe to obtain a contract.  
   (c) threatening a person with bodily harm.  
   (d) strengthening of a person's determination.

3. If a contract is impossible for only the contracting party to perform we say that it is:
   
   (a) supervening impossible.  
   (b) objectively impossible.  
   (c) subjectively impossible.  
   (d) legally impossible.

4. If a contract is impossible for anyone in the world to perform, it is void and we say that it is:
   
   (a) supervening impossible.  
   (b) objectively impossible.  
   (c) subjectively impossible.  
   (d) legally impossible.

5. In terms of the Alienation of Land Act 68 of 1981 an agreement to sell land must be:
   
   (a) signed by the seller only.  
   (b) signed by the purchaser only.  
   (c) in writing and signed by the agent only.  
   (d) in writing and signed by both parties.
6. The *par delictum* rule literally translated means:

(a) 'in equal guilt the non-possessor is in the stronger position'.
(b) 'in equal guilt the possessor is in the stronger position'.
(c) 'in equal guilt both parties are in the same position'.
(d) 'shares that have no value'.

7. Which are the three remedies for a breach of contract?

(a) specific performance, cancellation and damages
(b) specific performance, cancellation and an apology
(c) specific performance, repudiation and damages
(d) alternative performance, cancellation and damages

8. CCMA is an abbreviation for:

(a) Commission for Conciliation, Mediation and Arbitration.
(b) Council for Conflict, Meditation and Arbitration.
(c) Company for Conflict, Medical and Assurance.
(d) Close Corporation Medical Aid.

9. In common law when does a tenant have to pay his or her rent?

(a) The rent has to be paid in advance.
(b) The rent has to be paid once a year.
(c) The rent has to be paid in arrears.
(d) The rent has to be paid in bank notes.

10. NEDLAC is an abbreviation for the:

(b) National Energy Design and Labour Committee.
(c) New Economic Development and Labour Council.
(ii) MATCHING-STATEMENT QUESTIONS

Match the statements in Column B to the terms in Column A. Write down the answers only, for example 1. (a).

<table>
<thead>
<tr>
<th>Column A</th>
<th>Column B</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. rougeld clause</td>
<td>(a) a fault that is not apparent to an ordinary person</td>
</tr>
<tr>
<td>2. interdict</td>
<td>(b) a provision in a contract to get out of the contract by the payment of a sum of money</td>
</tr>
<tr>
<td>3. sale</td>
<td>(c) the parties agree that they will only use the magistrates court</td>
</tr>
<tr>
<td>4. barter</td>
<td>(d) an order from the court prohibiting some action</td>
</tr>
<tr>
<td>5. latent defect</td>
<td>(e) the parties agree on a specified address for the service of court documentation</td>
</tr>
<tr>
<td>6. a patent defect is</td>
<td>(f) the parties agree to certain exemption of liability</td>
</tr>
<tr>
<td>7. warranty</td>
<td>(g) a contract in which a seller promises to deliver a thing to a buyer who agrees to pay a certain price</td>
</tr>
<tr>
<td>8. jurisdiction</td>
<td>(h) one that is easily discernible by an ordinary buyer</td>
</tr>
<tr>
<td>9. domicilium clause</td>
<td>(i) a representation of facts made by one party that is intended to be a term of a contract of sale</td>
</tr>
<tr>
<td>10. indemnity clause</td>
<td>(j) when goods are exchanged for other goods</td>
</tr>
</tbody>
</table>

[10]

[20]
SECTION B: SHORT QUESTIONS (15 MARKS)

ANSWER ALL THE QUESTIONS

QUESTION 1
Identify the four things that a person must prove to hold another bound by the special terms under common law in a contract. [4]

QUESTION 2
Distinguish between express terms and implied terms in a contract. [5]

QUESTION 3
Name and describe the common forms of novation. [6]

[15]
QUESTION 1
List the ten rules of offer and acceptance. [10]

QUESTION 2
Identify and briefly describe the four possible remedies for fraudulent misrepresentation recognised by South African Law. [15]

QUESTION 3
Explain, with examples, the difference between a suspensive condition and a resolutive condition in a contract. [10]

QUESTION 4
Identify and briefly discuss the three essential elements in any valid contract of lease. [10]

[45]
SECTION D: INTERPRETATIVE QUESTIONS  
(20 MARKS)

ANSWER ANY ONE OF THE QUESTIONS

QUESTION 1
Describe in detail agreements in restraint of trade.  

[20]

OR

QUESTION 2
In a sales agreement there are several situations in which risk does not pass immediately. Describe these situations.  

[20]

OR

QUESTION 3
Discuss the provisions that often appear in an employment contract.  

[20]