THIS EXAMINATION PAPER CONSISTS OF 4 SECTIONS:

SECTION A: CONSISTS OF:
(i) 10 MULTIPLE-CHOICE QUESTIONS (20 MARKS)
(ii) 10 WORD CHOICE QUESTIONS (10 MARKS)
ANSWER ALL THE QUESTIONS

SECTION B: CONSISTS OF 7 QUESTIONS
ANSWER ALL THE QUESTIONS (28 MARKS)

SECTION C: CONSISTS OF 7 QUESTIONS
ANSWER ALL THE QUESTIONS (26 MARKS)

SECTION D: CONSISTS OF 5 QUESTIONS
ANSWER ALL THE QUESTIONS (16 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.
SECTION A  
(30 MARKS) 

ANSWER ALL THE QUESTIONS

(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. When a parent or guardian allows their 16 year old daughter to conduct business on her own, this is called _____.
   (a) ratification  
   (b) relative emancipation  
   (c) relative tacit emancipation  
   (d) enrichment

2. Which of the following statements relating to marriage in community of property is true?
   (a) A spouse does not need the consent of the other spouse to bind their joint estate.
   (b) A spouse is under the marital power of her husband.
   (c) The husband has sole power of administration over the joint estate.
   (d) The couple have joint power of administration over the joint estate.

3. When a court orders that a written contract is altered because it does not accurately reflect the verbal agreement between the parties, this is called _____.
   (a) rectification  
   (b) amendment  
   (c) ratification  
   (d) estoppel

4. If one party manipulates another party’s judgement to such an extent that the latter cannot form an independent opinion regarding the subject matter of the contract, this is called _____.
   (a) duress  
   (b) undue influence  
   (c) fraudulent misrepresentation  
   (d) negligent misrepresentation

5. When a new tenant occupies his brother’s flat and takes over all his rights and duties this is an example of:
   (a) cession.  
   (b) assignment.  
   (c) estoppel.  
   (d) repudiation.
6. A company's first annual general meeting must be held within ______ months of the company's incorporation.

(a) six  
(b) twelve  
(c) eighteen  
(d) twenty-four

7. Which of the following statements is false?

(a) A share certificate is prima facie evidence of the title of the members to the shares.  
(b) Only company directors are entitled to share certificates.  
(c) Each member of a company is entitled to a certificate of his or her shares.  
(d) A share certificate must be ready for delivery within two months of allotment.

8. No tax deductions in terms of Section 23(g) of the Income Tax Act are allowed for ______.

(a) damages and compensation  
(b) advance payments  
(c) educational and business information  
(d) private maintenance expenses

9. The Special Income Tax Court is ______.

(a) only a court of appeal  
(b) only a court of review  
(c) bound by its own decisions  
(d) a court with inherent jurisdiction

10. An employee must be given at least ______ of adequate notice to prepare for an enquiry into whether there are grounds for dismissal.

(a) 24 hours  
(b) 48 hours  
(c) one week  
(d) two weeks

(ii) WORD CHOICE QUESTIONS

Choose the correct word(s) in the following sentences.

1. A minor is an unmarried person under the age of (sixteen / eighteen / twenty-one).

2. A contract entered into by a mentally ill person is (valid / voidable / void).

3. A seller’s warranty against latent defects is (implied / express / not part of our law).
4. The principle that no one can contest or deny the truth of a representation he or she has made to another is called (rectification / ratification / estoppel).

5. To put the parties to a contract in the same position as they were in before the contract was entered into is called (misrepresentation / restitution / duress).

6. A close corporate is limited to (ten / twenty / thirty) members.

7. The last words in the name of a private company must be (Limited / (Pty) Ltd / Ltd).

8. The realisation (sale) of a fixed capital asset is (taxable / not taxable / revenue).

9. Every employee who works more than 24 hours per month is entitled to (fourteen / twenty-one / twenty-eight) consecutive days leave per twelve months.

10. An employee is entitled to (one / two / three) day’s paid sick leave for every 26 days worked during the first six months of employment. [10]
QUESTION 1
Xolela is sixteen. He sells his mountain bike to Mr Smith, a major, for R1 500 without the consent of his guardian.

Can Xolela insist that Mr Smith pays him the R1500 after he has delivered the mountain bike? Give a reason for your answer. [3]

QUESTION 2
(a) Why is a joke not considered a legal offer? (2)
(b) Under what circumstances can an offer not be revoked by the offeror prior to acceptance? (2) [4]

QUESTION 3
In the case of contracts entered into by post, the expedition theory applies. Explain how this affects the time when and place where the contract came into existence. [2]

QUESTION 4
(a) Define the term 'void' contract and give an example of such a contract. (3)
(b) Define the term 'voidable' contract and give an example of such a contract. (3) [6]

QUESTION 5
Usually an advertisement is not a valid offer.
(a) Under what circumstances is an advertisement a valid offer? (2)
(b) Give an example of an advertisement that is typically a valid offer. (2) [4]

QUESTION 6
(a) Define a warranty. (2)
(b) What is the main difference between a warranty and representation? (2) [4]
QUESTION 7

(a) In order to claim damages for the breach of contract, the injured party must show (prove) four things. What are these? (4)

(b) Give an example of a claim for damages that will not be awarded in contract. (1) [5]

[28]
SECTION C  

(26 MARKS)

ANSWER ALL THE QUESTIONS

QUESTION 1
What does it mean to say that companies have legal personality? [2]

QUESTION 2
What does it mean to say that companies have perpetual succession? [2]

QUESTION 3
(a) Define a partnership. (2)
(b) Does a partnership have limited liability? (1)
(c) Does a partnership agreement require registration? (1)
(d) Discuss the joint and several liability of a partnership. (3) [7]

QUESTION 4
(a) List three advantages of a business trust. (3)
(b) List three disadvantages of a business trust. (3) [6]

QUESTION 5
What is an outsider who contracts with a company entitled to assume in terms of the Turquand rule? [2]

QUESTION 6
What is the purpose of a company’s prospectus? [3]

QUESTION 7
(a) Define the term ‘received by’ in the definition of gross income. (2)
(b) Define the term ‘accrued to’ in the definition of gross income. (2) [4] [26]
SECTION D (16 MARKS)

ANSWER ALL THE QUESTIONS

QUESTION 1
List three duties of an employer. [3]

QUESTION 2
List four dismissals that are automatically unfair. [4]

QUESTION 3
(a) List two factors that will determine the appropriate sanction for drunkenness on duty. (2)

(b) Under what circumstances would dismissal for drunkenness on duty be appropriate? (2) [4]

QUESTION 4
What are the aims and objectives of the CCMA dispute resolution system? [4]

QUESTION 5
What is the purpose of affirmative action? [1]

[16]

Section A: 30 marks
Section B: 28 marks
Section C: 26 marks
Section D: 16 marks
TOTAL: 100 MARKS