

CERTIFIED ACCOUNTING TECHNICIAN

LEVEL 1 EXAMINATION

L1.2: BUSINESS LAW

TUESDAY, 4 DECEMBER 2012

INSTRUCTIONS:

1. **Time Allowed: 3 hours 15 minutes** (15 minutes reading and 3 hours writing).
2. This examination has **seven** questions and only **five** questions are to be attempted.
3. Marks allocated to each question are shown at the end of the question.

Attempt any five questions

QUESTION ONE

- a) With the help of relevant examples explain the sources of law in Rwanda. **(10Marks)**
- b) Outline how the judiciary is organized in Rwanda and the competency of each court. **(10Marks)**

QUESTION TWO

- a) (i) Explain the legal principal in the Rule in Rylands Vs. Fletcher. **(4 marks)**
- (ii) Explain the defenses available to a person sued in an action brought against him under this rule. **(6 marks)**
- b) Innocent sneaked into Thacien Green's compound with the intention of breaking into his car and stealing a radio cassette. As he was walking towards the car park, he fell into a pit which Green had dug to construct a water reservoir. As a result Innocent was seriously injured. Innocent now seeks your legal advice as to whether he can successfully sue Green State the legal principles applicable to the above facts and advise Innocent. **(10 marks)**
- (Total: 20 marks)**

QUESTION THREE

- a) Settling disputes through the courts can be slow and expensive. State and explain **five** other forms of dispute resolution other than the courts of law. **(10 marks)**
- (b) Explain the contributions of the courts of law to justice and social order in a country using **four** examples. **(10 marks)**
- (Total: 20 marks)**

QUESTION FOUR

- a In relation to the law of tort explain the term "tort" **(2 marks)**
- b Explain general defence in the law of tort **(12 marks)**
- c Explain the term "person" and "residence" as used in the law of persons **(4 marks)**
- d Explain the importance of domicile as used in the law of persons **(2 marks)**
- (Total: 20 marks)**

QUESTION FIVE

- a) Explain the following terms as used in the law of contract:
- i Express terms and Implied terms **(4 marks)**
- ii Executory Consideration and Executed Consideration **(4 marks)**
- iii Valid contract and void contract **(4 marks)**

b) State and explain **four** ways in which an offer is terminated

(8 marks)

(Total: 20 marks)

QUESTION SIX

a) Explain the contract of insurance.

(5 marks)

b) Briefly discuss the following Principles of Insurance;

i Insurable interest

(3marks)

ii Indemnity

(3marks)

iii Subrogation

(3marks)

iv Ultimate good faith

(3marks)

iv Double insurance.

(3marks)

(Total: 20 marks)

QUESTION SEVEN

a) Differentiate the term arbitration and litigation.

(5marks)

b) In relation to arbitration and litigation, discuss the following terms

i Cost and Expeditiousness

(5marks)

ii Flexibility

(5marks)

iii Impartiality

(5marks)

(Total: 20 marks)

End of question paper