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**CERTIFIED ACCOUNTING TECHNICIAN  
LEVEL 1 EXAMINATION**

**L1.2: BUSINESS LAW**

**TUESDAY: 3 DECEMBER 2013**

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**INSTRUCTIONS:**

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

### QUESTION ONE

Explain the composition and jurisdiction of :

- a) The military courts **(5 Marks)**
- b) The commercial courts **(10 Marks)**
- c) Explain the advantages of arbitration over legislation. **(5 Marks)**

**(Total: 20 Marks)**

### QUESTION TWO

- a) In relation to the law of property, explain five differences between Ownership and possession. **(5 Marks)**
- b) One of the principal duties of an agent is expressed by the maxim “**delegates’ non potest delegare.**” Explain the circumstances under which an agent may delegate his authority. **(5 Marks)**
- c) Explain the meaning of separation of powers and elaborate how effective the application of the said doctrine has been effective in your country. **(10 Marks)**

**(Total: 20 Marks)**

### QUESTION THREE

- a) Describe the advantages of carrying on business as a partnership as opposed to a limited liability company. **(10 Marks)**
- b) Discuss the various equitable remedies which may be available to an injured party who is suing for breach of contract. **(10 Marks)**

**(Total: 20 Marks)**

### QUESTION FOUR

- (a) In relation to the Sale of Goods Act:
  - (i) Explain four rules that govern delivery of goods. **(8 Marks)**
  - (ii) Outline the circumstances under which the unpaid seller may exercise his right of lien. **(6 Marks)**
- b) A contract of sale of goods by sample between Ben and Sally provided that payment of the goods was to be made on arrival against the shipping documents. Ben the buyer, paid for the goods before delivery. When the goods were received, Ben observed that bulk of the goods supplied did not correspond with the samples earlier provided.

**Required:**

Advice Ben **(6 Marks)**

**(Total: 20 Marks)**

### QUESTION FIVE

- (a) What is a holder in due course and how does he differ from a holder for value? **(10 Marks)**
- (b) Examine the rights and duties of a holder of a bill of exchange. **(10 Marks)**

**(Total: 20 Marks)**

### QUESTION SIX

- a) Discuss the rights and obligations of shareholders. **(4 Marks)**
- b) (i) Define the term “Usufruct” **(2 Marks)**  
(ii) Differentiate between warrants and Bearer shares **(4 Marks)**
- c) (i) You are eligible to attend the Annual General Meeting of a company. State what should be the agenda of that meeting? **(6 Marks)**  
(ii) Explain the difference between an ordinary resolution and a special resolution. **(4 Marks)**

**(Total: 20 Marks)**

### QUESTION SEVEN

- a) Why are Rwandese given personal names instead of maintaining family names? **(10 Marks)**
- b) Explain the characteristics of a name **(10 Marks)**

**(Total: 20 Marks)**

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**End of question paper**

