
CERTIFIED ACCOUNTING TECHNICIAN

LEVEL 1 EXAMINATION

L1.2: BUSINESS LAW

TUESDAY: 11 JUNE 2013

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

- (a) Define the term law (2Marks)
 - (b) Distinguish morality from law (6Marks)
 - (c) Discuss the various classifications of law (6Marks)
 - (d) Describe three sources of law in Rwanda (6Marks)
- (Total 20 marks)**

QUESTION TWO

- a) Briefly explain four types of endorsements in relation to the law governing negotiable instruments. (6marks)
 - b) In relation to bill of exchange the term “holder” is used. Explain the meaning and outline the duties of a holder of a bill of exchange. (8marks)
 - c) Mutoro received a bill of exchange obtained fraudulently and presented it for payment upon which it was dishonoured. State with reasons whether Mutoro can claim to be a holder in due course. (6 marks)
- (Total: 20 marks)**

QUESTION THREE

- a) Highlight the essentials of a contract for the sale of goods. (4 marks)
 - b) Explain the principles that govern delivery of goods in a sale of goods transaction? (8 marks)
 - c) Describe the remedies available to the buyer for breach of a contract for the sale of goods. (8 marks)
- (Total: 20 marks)**

QUESTION FOUR

- (a) State essential requisites of bill of exchange (14 marks)
 - (b) State and explain three property rights”. (6 marks)
- (Total: 20 marks)**

QUESTION FIVE

- (a) Explain three characteristics of a legal rule (6marks)
 - (b) State and explain three organs of the government (6marks)
 - (c) Explain the term “person” as used in the law of persons (2marks)
 - (d) State and explain three legal characteristics of a name. (6marks)
- (Total: 20 marks)**

QUESTION SIX

- (a) Explain the meaning of a binding Contract. (5marks)
 - (b) Explain in detail the four major requirements of a binding Contract. (12 marks)
 - (c) Differentiate between a void Contract from a voidable Contract. (3marks)
- (Total 20 marks)**

QUESTION SEVEN

- (a) Explain the principle of vicarious liability. (4marks)
 - (b) What conditions ought to be fulfilled for there to be civil liability for the teacher and craftsman for the acts of their students and apprentices respectively? (6 marks)
 - (c) Discuss the characteristics of reparable damage under the Rwandan law of tort (10marks)
- (Total: 20 marks)**
-
-