



ICPAR
Unlimited possibilities

CERTIFIED PUBLIC ACCOUNTANT

FOUNDATION LEVEL 1 EXAMINATIONS

F1.2: INTRODUCTION TO LAW

DATE: WEDNESDAY, 30 NOVEMBER 2022

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.**
- 4. The question paper should not be taken out of the examination room.**

QUESTION ONE

(a) Last month the parliament of Rwanda passed a law which only applies to six districts of the country and without any rationale for the exemption of the rest of the districts. Furthermore, the said law tends to target innocent people but protects criminals. Ingabire and Mutesi who are both students of introduction to the law are arguing among themselves whether this law passed by parliament is constitutional or not. Ingabire strongly feels that the law is constitutional while Mutesi strongly feels that the law is unconstitutional.

Required:

- i) Explain from the case scenario above what is required for the law passed by parliament to be obligatory (5 Marks)
- ii) State three characteristics of law and explain any two of those characteristics. (5 Marks)

(b) A call for tenders was sent out requiring a deposit of FRW 150,000 which would be lost if the tendered offer was withdrawn. Ngabo Engineering submitted an offer along with the required deposit. The submitted tenders were opened by the procuring entity and Ngabo Engineering was the low bidder by a substantial margin. It was then discovered that they had made a mistake in calculating their total bid price. They informed the procuring entity about the mistake and tried to have the offer changed (prior to acceptance). The change was refused, the contract was given to another bidder, and the procuring entity kept Ngabo Engineering's bid deposit and then Ngabo Engineering went to court to claim back their deposit.

Required:

- i) Identify the legal sanction applied in the case scenario above and explain the rationale for adopting the above legal sanction (5 Marks)
- ii) Assume that two employees working in the same organization have different opinions which have led to a public altercation and finally a serious physical confrontation. It has been resulted in the broken limb of one of the employees. Explain the legal sanction(s) that should apply in this scenario and why. (5 Marks)

(Total: 20 Marks)

QUESTION TWO

(a) The problems presented by the regulation of what is generally considered a rather simple trade are not at all simple. Although it is now a truism to say that we live in an age of increasing public regulation of many aspects of our social, occupational and personal lives, and although the power of government to promulgate rules and establish standards in the interests of the general welfare is, generally speaking, well established, any particular field of activity will, upon close examination, suggest many interesting and significant problems. General questions of constitutional rights arise, such as are measured by the reasonableness which due process and the equal protection of the law require. And many problems of an administrative character, dealing with the discretionary authority of enforcement agencies and the fairness of their procedural techniques, are brought before the courts for review”.

Required:

i) **Explain any four general principles of administrative law which can address the issues raised from the statement above** (8 Marks)

(b) “The remedy of judicial review is concerned with reviewing not the merits of the decision in respect of which the application for judicial review is made, but the decision-making process itself. It is important to remember in every case that the purpose of the remedy of judicial review is to ensure that the individual is given fair treatment by the authority to which he has been subjected and that it is no part of that purpose to substitute the opinion of the judiciary or the individual judges for that of the authority constituted by law to decide the matter in question.”

Required:

i) **From the statement above explain the three categories of means of administration leading to conflict.** (6 Marks)

ii) **Write short notes on the concept of separation of powers under administrative law** (6 Marks)

(Total: 20 Marks)

QUESTION THREE

(a) The term "alternative dispute resolution" or "ADR" is often used to describe a wide variety of dispute resolution mechanisms that are short of, or alternative to, full-scale court processes. The term can refer to everything from facilitated settlement negotiations in which disputants are encouraged to negotiate directly with each other prior to some other legal process, to arbitration systems or mini-trials that look and feel very much like a courtroom process.

Required:

- i) **Explain any four features/characteristics of Arbitration. (6 Marks)**
- ii) **Define the term "arbitration" and discuss briefly those matters that are not permissible for arbitration by the law governing arbitration in Rwanda. (4 Marks)**

(b) Peter Kamau a Kenyan national entered into a contract with Richard Kalimba a Rwandese national. The contract was for the supply of animal feeds which Peter Kamau complied with but when it came to the payment a misunderstanding did arise and therefore Richard Kalimba is unable to pay for the goods supplied because of the misunderstanding in the contract. Richard Kalimba went to the Kigali High court to seek interpretation for the contract and he is wondering if the court will issue sermons for Peter Kamau to appear in court in Kigali.

Required:

- i) **Outline any six circumstances in which foreign nationals can be sued in the Rwandan courts (6 Marks)**
 - ii) **Outline any four jurisdictions of primary courts in the first instance on civil matters in Rwanda (4 Marks)**
- (Total: 20 Marks)**

QUESTION FOUR

(a) Peter Munyapeta sent a letter to Rachael Uwimana on May 23, 2020 offering Rachael Uwimana some new machinery for FRW750, 535. With it, was Peter Munyapeta's standard contract terms which included a price variation clause and a trumping clause. Rachael Uwimana replied on May 27 and said they would order the machinery, but on her own standard terms. Rachael Uwimana's standard terms did not have a price variation clause. Peter Munyapeta replied on June 5 on the tear-off slip from Rachael Uwimana's terms. At the bottom of this slip, it read, "We accept your order on the terms and conditions stated therein" however Peter Munyapeta added a cover letter reasserting that the deal was being made under Peter Munyapeta's quotation, from the May 23 letter. A while later Peter Munyapeta delivered the machinery. They asked for FRW 2,000,000 according to their price variation clause. Rachael Uwimana refused to pay the extra. Peter Munyapeta sued Rachael Uwimana.

Required:

Examine the issues raised in the above case study and advise Peter Munyapeta and Rachael Uwimana on their respective obligation under this contract (4 Marks)

(b) Butare James promised to donate his rural house situated at Rwamagana to Mbabazi Grace. With the outbreak of Covid-19 Butare James finds himself in a very difficult financial situation and he informed Mbabazi Grace that although he cannot donate the house to her now, he will do so when he is able. Butare James died as a result of Covid-19. Mbabazi Grace sued Butare James' estate for the value of the promised house.

Required:

Does Butare James' promise constitute a binding contract? Explain the reasoning of the court regarding Mbabazi Grace's claim (4 Marks)

(c) **Tweddle v Atkinson (1861), 1 B & S 393, 121 E.R. 762 (Q.B.)**

John, the father of William, agreed with Guy that would pay William £100 after marrying his daughter. The written agreement contained a clause that specifically granted William the power to sue for enforcement of the agreement. Guy died, and the estate would not pay and William sued.

Required:

Does William Tweddle have the standing to sue for enforcement of the contract? (4 Marks)

(d) **Turney v Zhilka [1959] SCR 578**

Parties entered into a continent agreement for the purchase and sale of land. The condition was: Providing the property can be annexed to the Village...and a plan is approved by the Village Council for subdivision. The purchaser made some efforts to secure the fulfillment of the

condition but then purported to simply waive fulfillment of the condition. Vendors claim that they are not bound by the agreement because the condition was not fulfilled.

i) **Did the purchaser have the right to unilaterally waive the condition precedent?** (4 Marks)

ii) **Redgrave v Hurd (1881), 20 Ch. D. 1 (C.A.)**

Redgrave advertised to sell his business premises and a share in his business, representing that it brought in between £300 and £400 a year when it truly grossed less than £200 a year. The defendant purchased the property and a partnership in the law practice on the premises based on this representation. However, when he discovered that the law practice was "utterly worthless" he refused to complete his payments. The plaintiff sued for specific performance.

Required:

Can a defendant rescind a contract because of a misrepresentation? (4 Marks)

(Total:20 Marks)

QUESTION FIVE

(a) An agent, being himself a person who has got delegated authority from the principal, cannot further delegate except with the permission of the principal. This is expressed by the Latin maxim 'delegatus non potest delegare': a delegate cannot further delegate, i.e., one cannot delegate that which one has himself undertaken to do. Agency is a matter of trust and confidence and an agent is appointed only because the principal has got full confidence in his integrity or ability. So, the agent cannot without the permission of the principal, delegate his authority and asks some other person to do the work.

Required:

i) **Explain any five exceptions to the position above on delegation of authority by the agent** (5 Marks)

ii) **State whether the following statements are True or False:**

1. An agent is not different from a servant.
2. A servant is different from an independent contractor.
3. A minor may be an agent.
4. A contract of agency may be created expressly but not impliedly.
5. There is no privity of contract between a substituted agent and the principal.
6. X, without Y's authority, lends Y's money to Z. Afterwards Y accepts interest on the money from Z. Y's conduct does not imply ratification of the loan.
7. The act of the agent to be ratified must be valid in itself and not illegal.
8. A forgery of signature, though ratified, conveys no title.
9. A person cannot ratify a part of the transaction.
10. An agent who is guilty of misconduct in the business of the agency is not entitled to any remuneration.

(5 Marks)

(b) Natasha Uwase constructed a very beautiful house at the heart of the city of Kigali. Many people admire the house and have desired to buy the house, but Natasha Uwase has no intention of selling the house. Recently Natasha Uwase's brother Nkubara John who has been residing in the USA returned and Natasha Uwase welcomed him to her house since the two are genocide survivors. After staying for a while Nkubara John realized that the sister had not insured the house and given that he had enough money he insured the house with SONARWA. Having paid premium for one year and in the absence of the sister Nkubara John was burning the refuse in one afternoon and the fire caught some part of the kitchen and started burning the house. Although the fire was not intense Nkubara John was reluctant and careless in putting the fire off because he completely felt that the house was insured. Eventually, the fire engulfed and burned down the entire beautiful house.

Required:

- i) From the facts of the case above outline and explain any two features/characteristics of insurance at play. (6 Marks)
- ii) Categories of insurance business provided by the Law governing the organization of insurance business comprise classes as specified under subparagraphs 2 and 3 of article 2 of the regulation n°05/2009 of 29/07/2009 on licensing requirements and other requirements for carrying out insurance business. Long-term insurance business refers to an insurance business of several classes.

Required:

Outline and explain any four such classes.

(4 Marks)

(Total: 20 Marks)

QUESTION SIX

(a) "A negotiable instrument is one, the property in which is acquired by anyone who takes it bonafide and for value notwithstanding any defects of the title in the person from whom he took it"

Required:

i) **With the help of an example/illustration explains the meaning of the above statement**

(4 Marks)

ii) **With the help of relevant examples discuss in detail any three characteristics of negotiable instruments**

(6 Marks)

(b) Negotiation may be defined as the process by which a third party has constituted the holder of the instrument to entitle him to the possession of the same and to receive the amount due thereon in his name. When a promissory note, bill of exchange, or cheque is transferred to any person so as to constitute that person the holder thereof, the instrument is said to be negotiated. The main purpose and essence of negotiation are to make the transferee of a promissory note, a bill of exchange, or a cheque the holder thereof.

Required:

With the help of any relevant example explain the two modes of negotiation

(4 Marks)

(c) The word 'endorsement' in its literal sense means, writing on the back of an instrument. But under the Negotiable Instruments Law, it may mean, the writing of one's name on the back of the instrument with the intention of transferring the rights therein. Thus, the endorsement is signing a negotiable instrument for the purpose of negotiation. The person who effects an endorsement is called an 'endorser', and the person to whom the negotiable instrument is transferred by endorsement is called the 'endorsee'.

Required:

With the help of relevant examples explain any four classes or types of endorsement

(6 Marks)

(Total: 20 Marks)

QUESTION SEVEN

Tumusimwe Alex is a Ugandan National and an investor who came to Rwanda 10 years ago being an investor in the areas of agriculture the government of Rwanda gave him 100 acres of land for the said purpose. Tumusimwe Alex has greatly contributed to the economic development of the country. Due to the outbreak of Covid-19 Tumusimwe Alex saw an opportunity in hotel and catering industry and he converted part of the agricultural land into an entrainment resort and constructed a hotel with lodging facilities to host foreign tourists who visit the nearby Akegera game reserve. The leadership of the district is informed about this new

development in the agricultural land but they are not sure if Tumusimwe Alex is acting within the confines of the law.

Required:

(a) Citing Law N° 27/2021 of 10/06/2021 Governing Land in Rwanda and as a student of Introduction to Law explain to the district leadership the nature of land tenure given to Tumusimwe Alex by the government. Do you think Tumusimwe Alex acted within the law by diversifying his business without the authority of the government? (6 Marks)

(b) Explain any two rights on land provided by Law N° 27/2021 of 10/06/2021 Governing Land in Rwanda to Tumusimwe Alex as a foreign national. (2 Marks)

(c) Citing Law N° 27/2021 of 10/06/2021 Governing Land in Rwanda explain any four ways through which the rights in land can be transferred between persons. (6 Marks)

(d) Citing Law N° 27/2021 of 10/06/2021 Governing Land in Rwanda explain briefly six fundamental principles governing land use in Rwanda. (6 Marks)

(Total: 20 Marks)

End of question paper

BLANK PAGE

BLANK PAGE

BLANK PAGE