



CERTIFIED PUBLIC ACCOUNTANT
FOUNDATION LEVEL 1 EXAMINATIONS
F1.2: INTRODUCTION TO LAW
DATE: WEDNESDAY 27, AUGUST 2025
MARKING GUIDE AND MODEL ANSWERS

QUESTION ONE

Marking guide

a) 1 Mark for any 5 well explained on legal personality	5
b) i) 1 Mark for any 4 principles of administration well explained	4
ii) 1 Mark for affirmation of the privilege of administration provided	1
iii) 1 Mark each for any 2 techniques of management cited and explained	2
c) 1 Mark each for the relevant answer related to distinct characteristics of negotiable instruments and well linked to the case scenario	8
Total Marks Awarded	20

Model Answers

a) The student is expected to demonstrate knowledge and understanding on the legal personality

- A person's legal personality commences from the time of birth.
- The legal personality is the foundation of civil rights.
- The civil rights of a conceived child are granted by his/her legal personality.
- It follows that a conceived child is entitled to civil rights recognized for every person, provided he/she is born alive.
- A child, simply by virtue of being conceived is deemed to have been born whenever its interests so dictate.
- As per the case study, both families have to wait for the birth of the baby boy;
- When the baby boy is born alive, he will be the sole heir of the deceased couple.

b)

i) The student is expected to demonstrate knowledge and understanding on the principles of administration

- Principle of equality of the users of public service or equality of users' rights which means citizens have equal right to access the public service.
- Principle of continuity and regularity in service's provision which means the public service runs continuously and cannot be halted or stopped merely because the servant is not available. The consequence of this principle is that the service, duties and obligations of the State are intrinsically interlinked and the obligations of the past Government are repaid by the Government in place
- Principle of fairness of public service which means any public service must be fair.
- Principle of adaptation which means the administration, in providing services to the people must adapt to changes.
- Principle of legality which means the decisions of the administration must be legal

ii) The student is expected to demonstrate knowledge and understanding on the privileges of administration

- The Mayor of the district has exercised the privilege of execution which means the decisions of the administration remain with the enforcement authority until a final decision of the court annulling it is handed.

iii) The student is expected to demonstrate knowledge and understanding on the technique of management

- Centralisation: which denotes the concentration of authority in a few hands, generally at the top of the organization hierarchy. Decisions are taken at the top by a few, and communicated down to the lower rungs of the management. That's means that all operational and policy directions are given by a few at the top management level while those below have to carry out the instructions.
- Decentralisation: may be defined as "a situation in which ultimate authority to command and ultimate responsibility for results is localised as far down in the organisation as efficient management of the organisation, permits. It is carried out by creating; under a central organisation, a number of autonomous units with mandates to operate as independent units."

c) The student is expected to demonstrate knowledge and understanding on the distinct characteristics of negotiable instruments

- Negotiability: It refers to the ability to transfer entitlements under the negotiable instrument from one person to another in such a manner to constitute from the transferor a holder of the negotiable instrument.
- Negotiability, therefore, allows for more simplified and easy circulation. It has the advantage of security in the sense that the rights of the holder are not dependent on the transferor once the instrument is negotiated.
- Monetary value: Negotiable instruments contain a continued commitment by the issuer to pay the stipulated sum of money. A simple statement of an object of a specified monetary value is not enough to render a document a negotiable instrument.
- Commitment to pay: Negotiable instruments contain a continued commitment by the issuer to pay the stipulated sum of money. A simple transfer of credit payable to holder is not enough if the issuer does not guarantee payment.
- Short-term title: In order to facilitate a simple exchange of title, the credit stipulated in the negotiable instrument must cover an easily obtainable and transferable payment. Long-term titles seem to complicate such an easy transfer.
- Usage and collection of title in payment: One of the consequences of negotiability is that negotiable instruments can be used and explained in a similar to that of ordinary money.
- The title to some or most negotiable instruments include most of the foregoing requirements. The prime example is that of a bill of exchange (lettre de change) which may be defined as "an unconditional order in writing, addressed by one person to another, signed by the person giving it, "requiring the person to whom it is addressed to pay on demand or at fixed or determinable future time a sum certain in money to or to the order of a specified person, or to bearer."
- For this case study, the cheque issued by TECK Electronics Ltd is a negotiable instrument because it fulfils the characteristics provided above;
- Therefore, TECK Electronics Ltd has committed an offence of issuing a bouncing cheque.

QUESTION TWO

Marking guide

a) 2 Marks for the right position, 2 Mark for justification and 1 mark for any 6 differences between sale and agreement to sale	10
b) 2 Marks each for any 5 essentials of agency well explained	10
Total Marks Awarded	20

Model Answers

(a)The student is expected to demonstrate knowledge and understanding on Jurisdiction of courts under the jurisdiction of the chamber of economic crimes

- The deal between Mrs Kamana and Mr. Jayden is a sale while the deal between Mrs Kamana and Mr. Umuhire is an agreement to sale
- The deal between Mrs Kamana and Mr. Jayden will upheld because it is a sale that complies to its conditions.
- Differences between a sale and agreement to sale are based on the following:
 - Transfer of property: in a sale the property in the goods passes from the seller to the buyer at the time the contract is made. But in an agreement for sale the transfer of property takes place at some future time or until some condition is fulfilled
 - Nature of the contract: an agreement to sell as an executory contract, is a contract pure and simple and no property passes, whereas a sale is an executed contract plus a conveyance.
 - Risk of loss: in a sale the buyer immediately becomes the owner of the goods and the risk as a rule passes to the buyer; under an agreement to sell, the seller remains the owner and the risk is with him.
 - Consequences of the breach: on breach of an agreement to sell by the seller, the buyer has only a personal remedy against the seller. But if after a sale, the buyer breaks the contract (e.g. resells the goods) the buyer may sue him for delivery of the goods or damages. In an agreement to sell, if the buyer fails to accept the goods the seller may sue for damages only and not for the price. On a sale if the buyer does not pay the price, the seller may sue him for the price.
 - Insolvency of the buyer: in a sale if the buyer is adjudged an insolvent, the seller in absence of lien over the goods is bound to deliver the goods to the official receiver or any government appointee for that purpose. The seller will however, be entitled to a rateable dividend for the price of the goods. In an agreement to sell, when the buyer becomes insolvent before he pays for the goods, the seller need not part with the goods.
 - Insolvency of the seller: in a sale if the seller becomes insolvent the buyer is entitled to recover the goods from the official receiver or any government appointee for that purpose as the property of the goods is with the buyer. In an agreement to sell, if the buyer has already paid the price and the seller becomes insolvent, the buyer can claim only a rateable dividend and not the goods.

(b) The student is expected to demonstrate knowledge and understanding on essentials of the agency

The essentials of agency are the following:

- There should be the appointment by the principal of an agent
- The principal should confer authority on the agent to act for him
- The authority conferred must be such as will make the principle answerable to third parties.
- The object of the appointment must be to establish relationship between principal and third parties.
- The relationship of agency, being based on confidence between the principal and the agent, deems that no consideration is necessary

QUESTION THREE

Marking guide

a)	1 mark the listing the secondary source of law and 1 mark each for any 5 of the secondary sources of law well explained	6
b)	1 mark for mentioning the right discussed in the case scenario and 1 mark each for any other 3 related rights	4
c)	1 mark each for the 2 linked legal system to countries provided and 1 mark each for any explanation of the legal system linked to the 2 countries.	4
d)	1 mark each for any 3 means of administration linked to the case scenario	3
e)	1 mark each for any 3 risks of insurers well listed	3
Total Marks Awarded		20

Model answers

a)

The candidate is expected to demonstrate knowledge and understanding on secondary sources of law of Rwanda

- The secondary sources of law are: custom, general principles of law, jurisprudence, doctrine and equity.
- Custom: A custom is generally defined as a set of a people's way of doing things which has acquired an obligatory in a given social group and which is practiced over a relatively long time period
- General principles of Law: These are principles of law common to the legal systems of the world
- Jurisprudence: set of decisions rendered by courts and tribunals. In Romano- Germanic legal systems, jurisprudence doesn't bind the judge
- Doctrine: publications of persons deeply involved in the study of law
- Equity: is based on the general feelings of justice, allows the judge, in case of silence of law or a legal gap, to make judgements conforming to common sense and feelings of justice

b)

The candidate is expected to demonstrate knowledge and understanding of Rwandan law can apply to foreign situations

- The the right discussed on the scenario is right of superficies
- **Usufruct** – The right to use and enjoy someone else’s property (like land or a house) and benefit from it, as long as you don’t damage it.
- **Emphyteusis** /long term lease– A very long-term lease (often many years or even forever) where someone can use another person’s land as if it were their own, usually by improving it and paying rent.
- **Servitude** – A right that allows one person to use part of another person’s land for a specific purpose, like a path, water access, or power line.

c)

i) The candidate is expected to demonstrate knowledge and understanding on major legal families

- Civil law system for Rwanda: it is originating from continental Europe, the civil law system has spread to the countries of Latin America, Francophone and Lusophone African countries, the countries of the near East, Japan and Indonesia. Colonization and voluntary reception contributed for this wide spread. French law stands out as the prototype of the civil law systems of laws. The main features of the civil law system are following:
 - Firstly, all civil law jurisdictions adopted the legal technique of condition.
 - the legal rule seeks to formulate a general rule of conduct as opposed to address the case in hand (Common Law).
- The common law family for Kenya: it embraces the law of England and Wales. Its wide expansion throughout the world came as a result of colonization or expansion. Most English-speaking countries in the world are common law jurisdictions. The essential features of the common law system are the following:
 - It is basically judge made law or Precedent-based system.
 - The common law was formed primarily by judges who had to resolve individual disputes.
 - The legal rule in the common law system is one which seeks to provide the solution to the case in hand.
 - It does not seek to formulate a general rule of conduct.

d)

The candidate is expected to demonstrate knowledge and understanding the means of administration

In this case scenario above, it discussed:

- Legal means: These are the acts posed by the administration in the context of performance of the mission assigned to it by the law. They may include orders (Presidential order, PM’s order, Ministerial order), regulation (National Bank of Rwanda regulations, Rwanda Utilities

Regulatory Authority regulations), instructions (Ministerial instructions, Mayor of the District instructions, etc) and decisions.

- Material means: this concerns the public property which is divided into two categories i.e. property in the public domain of the State which is not transferrable (extra commercium) and property in the private domain of the State which are transferrable/alienable (in commercium).
- State personnel: these are State employees under statutes.

e)

The candidate is expected to demonstrate knowledge and understanding the categories of risks for insurers

- Technical risks: arise from the very nature of the insurance business hinging on the determination of liabilities. Insurance liabilities are estimated using actuarial or statistical techniques, based on probabilities using past experiences and making assumption about the future.
- Legal risks: arise from the enactment of the new laws or modification of law that can hinder the insurance business
- Operational risks: arise from the daily working of the insurance companies that the governance can hinder the insurance business

QUESTION FOUR

Marking guide

a) 1 Mark each for any 7 related clauses to arbitration	7
b) 1 Mark each for 4 legal issues discussed in the case scenario, 1 mark for stating that arbitration is not allowed and 1 mark for any explanation well provided	6
c) 1 Mark for the choice of arbitration and 1 mark for well explained choice and 1 mark each for any 5 differences between arbitration and litigation	7
Total Marks Awarded	20

Model Answers

- a) **The student is expected to demonstrate knowledge and understanding on arbitration**

The arbitration clause should include the following:

- If the dispute cannot be amicably settled by the parties, the matter shall be referred to and finally resolved by arbitration.
- The ad hoc arbitration will be used;
- The number of arbitrators to the proceedings to be appointed shall be three.
- Each party will appoint 1 arbitrator and the third arbitrator will be appointed by the two appointed arbitrators and will be the president of the bench;

- The seat of arbitration shall be in Rwanda
- The language of arbitration shall be English
- The award rendered by the arbitrators shall be final and binding and shall be enforced by any court of competent jurisdiction.
- The parties will pay equally the fees of arbitrators including the procedures expenses;
- The party seeking enforcement shall be entitled to an award of all costs incurred including legal fees to be paid by the party against whom enforcement is ordered;
- Provided that a party is entitled to seek preliminary injunctive relief or interim or conservatory measures from any court of competent jurisdiction pending the final decision or award of the arbitrators.

b) The student is expected to demonstrate knowledge and understanding on arbitration

The list of the legal issues that are in the case study are:

- Matrimonial causes;
- Matters relating to status;
- Civil matters
- Criminal matters;
- Arbitration in Rwanda does allow to try the issues highlighted in the case study
- Litigation is only possible on the case.

c) The student is expected to demonstrate knowledge and understanding the difference between litigation and arbitration

- Basing on the case especially it involves the multinational company and the size of the price of the contract, I recommend arbitration on the following reasons: Cost and Expeditiousness; Confidentiality; Flexibility; Impartiality.
- Cost and Expeditiousness: arbitration is cheaper and less time consuming than litigation
- Confidentiality: Many people view the private nature of arbitration as a main advantage. Due to the fact that court proceedings are open to the public; many business people prefer arbitration to litigation. Unless otherwise agreed, awards in arbitral proceedings are confidential and the proceedings are closed to the public.
- Flexibility: The arbitration process is hailed for its inherent procedural flexibility. Unlike court proceedings which are rigid, arbitral proceedings offer greater flexibility in international commercial transactions. Parties get to choose their own arbitrators, in addition to having the independence to customize the arbitration proceedings to suit their wishes. Although parties may choose an already established arbitral institution with its own set of rules of procedure, the parties have a choice to decide on whether or not they want a totally different procedure that better serves their needs. If both parties cooperate and decide that they both want a speedy arbitration, the flexibility of arbitration can be used to their advantage to achieve that goal. Moreover, parties may even choose to have ‘fast track’ arbitration.

- **Impartiality:** One of the main reasons parties opt for arbitration over litigation is the fear the national courts will be biased in favour of their own citizen or the advantage of the home litigant in issues such as knowing the system, procedural rules, etc. Therefore, proceeding on the assumption that the arbitral tribunal will be fair and impartial and will not take the nationality of the parties into consideration, parties choose arbitration over litigation;
- **Expertise:** arbitrators are chosen based on their expertise in the subject matter while litigation always are lawyers;
- **Appeals:** Litigation decisions can be appealed, but arbitration decisions are typically final

QUESTION FIVE

Marking guide

a)	1 mark each for any 4 principles linked and well explained	4
b)	1 mark for any 3 relevant comments on the case	3
c) i)	1 mark each for any 4 relevant analysis of the case and 2 marks each for any 3 remedies well explained	10
ii)	1 mark for any 3 relevant ways of interpreting a contract	3
Total Marks Awarded		20

Model answers

a)

The candidate is expected to demonstrate knowledge and understanding on the link between a person and patrimony

- Only persons can have patrimony;
- You cannot think of patrimony without thinking of a person to whom this patrimony is attached.
- Each person necessarily has patrimony, because he/she is able to have the rights and obligations.
- The patrimony remains attached to the person as long as his personality is still valid.
- It cannot therefore be transferred (intransmissible entre vifs). A person can transfer some of the rights which he possesses over something e.g. his rights of ownership of an immovable, but the acquirer acquires the right transferred, not the patrimony.
- A person cannot have more than one patrimony. Like the personality, patrimony cannot be divided. What is divided or transferred is the right(s).

b)

The candidate is expected to demonstrate knowledge and understanding on agency

- Any person can be an agent.

- In other words, even a minor can be employed as agent and the principal shall be bound by the acts of such an agent.
- But no person who is not of the age of majority and of sound mind can become an agent so as to be responsible to his principal.
- Thus, if an agent is to be held reliable to the principal, he must be a major and of sound mind.
- A special agent has only authority to do some particular act or represent his principal
- Basing on the case scenario, the principal is liable for paying any loss claimed by the customer as far as the agent is minor
- The customer is legally allowed to sue the principal.

c)

i) The candidate is expected to demonstrate knowledge and understanding on the end of contracts

- It is a breach of contract;
- A contractual breach can significantly impact the parties involved, and the classification of the breach as either material or minor has profound implications for the outcome of the case
- the breach in question stemmed from a failure by Hannock PLC to deliver goods agreed upon within the specified timeframe;
- Material breaches are traditionally defined as failures that go to the essence of the contract, undermining its purpose. In this instance, Hannock PLC's delay in delivery can be deemed material because it inhibited Icyizere Ltd's ability to fulfill its own contractual obligations to third parties, leading to potential losses.
- material breaches often warrant the aggrieved party the right to terminate the contract and seek greater legal remedies in the courts;

possible remedies:

- In cases of breach of contract, the law provides several remedies to the aggrieved party. These legal remedies aim to restore the injured party to the position they would have occupied had the breach not occurred. Among the most common remedies are compensatory damages, consequential damages, specific performance, and rescission;
- Compensatory damages are the most frequently awarded remedies in breach of contract cases. They are designed to compensate the plaintiff for the financial losses incurred due to the breach. In the context of this scenario, Icyizere Ltd may seek compensatory damages to cover direct losses related to the contract that was violated. This form of relief focuses on quantifying the actual loss sustained, allowing the injured party to recover the amount necessary to make up for the harm caused by the breach;
- Consequential damages, on the other hand, refer to additional losses that arise indirectly from the breach. These losses are typically not the immediate result of the breach but can be attributed to its occurrence. For instance, if Icyizere Ltd incurred losses as a result of diminished sales caused by Hannock PLC's failure to uphold the agreement, such losses could be pursued as consequential damages, provided they were reasonably foreseeable at the time the contract was made
- Specific performance can be also a remedy by increasing the duration of the contract and therefore, Hannock PLC can execute and finish its obligation by performance.

- Rescission: An agreement of rescission is an agreement under which each party agrees to discharge all of the other party's remaining duties of performance under an existing contract. An agreement of rescission discharges all remaining duties of performance of both parties. It is a question of interpretation whether the parties also agree to make restitution with respect to performance that has been rendered.

ii) The candidate is expected to demonstrate knowledge and understanding on the interpretation of the contract

A contract can be interpreted in one of the following ways:

- The courts must endeavor to determine the common intention of those who made the contract;
- The courts are called to attempt to discern the genuine intent of the parties at the time the contract was concluded;
- Where a clause may be interpreted in two ways, one which gives it an effect and the other that denies it any effect, the judge must favor the former interpretation;
- Where terms are ambiguous, they must be interpreted in a way that is appropriate to the subject matter of the contract;
- Common usage or practice is another guide to the courts in attempting to interpret ambiguous clauses;

QUESTION SIX

Marking guide

a) 1 Mark for identifying the liability and 1 mark each for any 4 conditions for the liability of the master well explained and the position	5
b) 1 mark each for any 6 essential elements of contract of sale well explained	6
c) 1 mark for the competent court and 1 mark each for any 4 situation that can be heard by primary court	5
d) 1 mark each for 4 characteristics of law well outlined	4
Total Marks Awarded	20

Model Answers

a) The student is expected to demonstrate knowledge and understanding on liability of acts committed by others

- The analysis of this case scenario should be based on liability of the master for wrongs of their domestic servants.
- The conditions for the liability of the master for wrongs committed by their domestic servants are the following:
 - Relationship of subordination
 - The fault of the domestic servant or agent (worker)
 - The damage is supposed to be caused to a third party, that is to say, any other person other than the master/commutant

- A relationship between the act of the domestic or agent and the functions which they do
 - Basing on the conditions, the master will not be liable for the wrongs committed by the domestic because to throw a stone was not among the functions of the domestic
- b) The student is expected to demonstrate knowledge and understanding on essential of contract of sale of goods.**

The following are the essential elements of a contract of sale of goods

- Two parties: There must be 2 distinct parties i.e., a buyer and a seller, to affect a contract of sale and they must be competent to contract. ‘Buyer’ means a person who buys or agrees to buy goods and ‘Seller’ means a person who sells or agrees to sell goods.
 - Goods: There must be some goods the property in which is or is to be transferred from the seller to the buyer, the goods which form the subject-matter of the contract of sale must be movable.
 - Price: Price is an essential ingredient for all transactions of sale and in the absence of the price or the consideration, the transfer is not regarded as a sale, thus transfer by way of sale must be in exchange for a price. It has been held that price normally means money. The price can be paid fully in cash or it can be partly paid and partly promised to be paid in future. The price can be fixed by the agreement between the parties before the conveyance of the property
 - Transfer of general property: There must be a transfer of general property as distinguishes from special property in goods from the seller to the buyer. For example, if A owns certain goods, he has general property in the goods. If he pledges them with B, B has special property in the goods.
 - Essential elements of a valid contract: All essential elements of a valid contract must be present in the contract of sale.
 - Basing on the scenario, the contract is valid as long as, Mr. Mr. Muhire was declared mentally incapable after the contract and the consideration was taken into consideration.
- c) The student is expected to demonstrate knowledge and understanding on the jurisdiction of courts**
- The competent court is primary court of Gasabo basing on subject matter jurisdiction and territorial jurisdiction
 - Others cases that Primary Courts can try at first instance are:
 - Disputes between physical and non-governmental entities or corporations whose monetary value does not exceed twenty million Rwandan francs (FRW 20,000,000);
 - Cases relating to movable property of more than three million Rwandan francs (FRW 3,000,000) but which does not exceed twenty million Rwandan francs (FRW 20,000,000) and those relating to succession in respect thereof;
 - All commercial matters involving amounts of not more than five million Rwandan francs (FRW 5,000,000);
 - Cases relating to the status of persons and family.
- d) The student is expected to demonstrate knowledge and understanding on the characteristics of law**
- The law is obligatory;

- The law is general;
- The law is authoritative;
- The law is oriented to the common good.
- Public Awareness Laws
- Universality Laws apply to all members of the society equally

QUESTION SEVEN

Marking guide

a) 1 mark for the naming that it is a material source of law and 1 mark for the definition of the material source of law and 1 mark each for any 3 various sources well explained	5
b) 1 mark each for any 5 courts well listed from the highest to lowest	5
c) 1 mark each for any 5 elements identifying a person well explained	5
d) 1 mark each for any 5 relevant answers on creation of agency linked to the scenario	5
Total Marks Awarded	20

Model Answers

a)

The student is expected to demonstrate knowledge and understanding on the material sources of law

- It is material source of law.
- The material sources are the sources of inspiration of law. In other words, it is what is at the origin of the legal provision.
- Social standards: The 'right' very often endeavors to re transcribe social rules to transform them into legal provisions. Example: the question of the homosexual couples and its legal recognition: gradually society admits the existence of the homosexual couples and more and more reserves a legal framework for them
- The economic theory: More and more economic science takes importance in our society and more and more the right takes as a starting point the economic theory, p. ex. 3for tax or revenue duty, the environmental right
- Religions: They play a rather weak and indirect role, today in France, primarily through the historical tradition. It is not the case in other countries of the world
- The material sources are, themselves, never obligatory. They inspire the legal provisions, but they are not themselves legal provisions.
- They can be however taken into account to interpret a legal provision and they can clarify the direction.

b)

The student is expected to demonstrate knowledge and understanding on the organizations of courts

The ordinary courts from the highest to lowest are the following:

- Supreme court
- Court of Appeal
- High Court
- Intermediate Court
- Primary Court

c)

The student is expected to demonstrate knowledge and understanding on the elements of identifying a person

A natural person is identified through the following:

- Gender/age: There are legal effects related to gender and age Examples: marriage is only allowed between two persons of different sexes; The incapacity of a person of minor age;
- Name: Name is a term used to specify a person in his/her social and legal life in exercising his/her rights and fulfilling his/her duties.
- Nationality:
- Domicile and residence: The domicile of a person is “a place where he/she has his/her principal establishment, and where he/she can possibly be reached at any time either directly or through an intermediary, or where he/she is registered”. Domicile is the place where a person is legally deemed to be permanently present for the purpose of exercising his/her juridical activities. In a way it is the person’s registered office.
- civil status: Every physical person is legally characterised by a set of qualities or attributes to which legal consequences are attached. That set of qualities is known as the civil status of a person. The civil status of a person distinguishes him from all other entities. The civil status of a person therefore personifies him and determines his role in the society and distinguishes him from all other entities, as far as the enjoyment and exercise of civil rights are concerned. The civil status determines civil rights of a person.
- Official identification
- For the contract above, Mr Kamanzi is not the legal person as his ID was invalid and impersonated.

d)

The student is expected to demonstrate knowledge and understanding on creation of agency

- Any agency can be created by express agreement, by implication in law i.e., from the conduct of the parties or from the necessity of the case and by ratification;

- contract of agency may be created by an express agreement. When a principal appoints an agent either by words spoken or written to represent and act for him, an express agency is created. No particular form or set of words is required for appointing an agent. When a person gives the power of attorney to another person, an express agency is created.
- For this scenario, agency was created by express agency created through verbal authorization;
- This is gratuitous agency as no compensation was discussed.
- Uwimana is legally bound by the contract with Mary because acts done by an agent within the scope of authority are binding upon principal. Mary was dealing with Owen in good faith and had no reason to suspect any limitations on his authority.
- Therefore, a sale is valid, and ownership should be transferred to Mary

End of marking guide and model answers