

BINDURA UNIVERSITY OF SCIENCE EDUCATION

FACULTY OF COMMERCE

GRADUATE SCHOOL OF BUSINESS

MASTER OF BUSINESS LEADERSHIP

LEGAL ENVIRONMENT OF BUSINESS (MBL529)

EXAMINATION QUESTION PAPER

DURATION: 3 HOURS 30 MINUTES

NOV 2023

Instructions and Information to Candidates

1. Section A is compulsory and carries 40 marks.
 2. Answer 'Question 1' from Section A and any three (3) questions from Section B.
 3. The paper carries six questions.
 4. All Questions in Section B carry equal marks of 20 each.
 5. The use of cell phones is not allowed in the examination.
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SECTION A : [COMPULSORY]

QUESTION 1

CASE STUDY 1: MUSINDO AND MUZVONDASI

Musindo and Muzvondasi enter into an agreement for the supply and delivery 500 herd of cattle. Zelensky is the purchaser and operates several abattoirs across Ukraine. Musindo who is based in Russia agrees to supply Muzvondasi with the cattle for the sum 300 000 rubles. The agreement is signed on the 10th of January 2020. On the 14th of January 2020, Musindo delivers the 500 herd of cattle to Muzvondasi. Muzvondasi pays for 300 leaving a balance for the 200 cattle which he promises to pay on the 18th of January 2020 using some of the money from the sales he would have generated. Two weeks go by with no payment. Attempts by Musindo to get hold of Muzvondasi are futile as his phone goes unanswered. Musindo even travels to Ukraine to see Muzvondasi but he is told that Muzvondasi is away on business. He leaves several messages demanding payment all of which are not replied. On the 10th of March 2022, a state of war is declared between Russia and Ukraine. Payment channels between the two countries are blocked. On the next day, Musindo receives a call from Muzvondasi advising him that he wants to pay but is unable to do so because of the state of war between their two countries. The war lasts exactly one year.

Required:

- a. Immediately after the end of the war, Musindo decides to sue Muzvondasi and approaches you for advice. Advise him. **(20 marks)**

CASE STUDY 2: CHIKOMBO AND MAFAVHUKE

Chikombo and Mafavhuke entered into a verbal contract in terms of which Mafavhuke agreed to transport Chikombo's maize from St Vincent Farm Norah, Melfort to the Marondera Grain Marketing Board Depot. In the course of performing the contract, Mafavhuke's drivers, acting in the course and scope of their employment stole 82 tons of Chikombo's maize valued at US\$27 000. Chikombo claims damages from Mafavhuke.

Required:

- b. Citing case law examples discuss who is liable for the wrong committed. (20 marks)
[Total: 40 marks]

SECTION B: Answer any three (3) questions from this section.

QUESTION 2

- a. How is law made in Zimbabwe? (4 marks)
- b. "Law is one thing; its goodness or badness is another." Is this correct? Explain your answer. (4 marks)
- c. "Acts of Parliament contain law that is superior to any other law". Do you agree? Explain your answer. (4 marks)
- d. "Roman-Dutch law or English common law", which of the two is the basis of Zimbabwe's common law? Explain your answer. (4 marks)
- e. With reference to the doctrine of stare decisis:
- i. What is it? (2 marks)
 - ii. What role does the ratio decidendi play in the operation of the doctrine? (2 marks)
- [Total: 20 marks]

QUESTION 3

Citing case law examples to substantiate your answer where applicable define the following legal terms:

- a. Vicarious liability (2 marks)
- b. Covenant in restraint of trade (2 marks)
- c. Pactum commissorium (2 marks)
- d. *Consensus ad idem* (2 marks)

- e. *Animus contrahendi* (2 marks)
- f. Caveat subscriptor rule (2 marks)
- g. The parole evidence rule (2 marks)
- h. Privity of contract (2 marks)
- i. The blue pencil test (2 marks)
- j. Supervening impossibility (2 marks)

[Total: 20 marks]

QUESTION 4

- a. Identify and explain the rights and obligations of parties to an employment contract. (10 marks)

- b. Explain the process of terminating a contract of employment. (10 marks)

[Total: 20 marks]

QUESTION 5

Identify and discuss the basic principles of insurance law. [20 marks]

QUESTION 6

- a. How is a contract of agency formed? (3 marks)
- b. Identify and explain the different types of agents? (2 marks)
- c. What are the duties of agents? (3 marks)
- d. What are the agent's rights against the principal? (3 marks)
- e. Explain the relationship between the principal and third parties in the law of agency. (3 marks)
- f. Explain the relationship between the agent and third parties. (3 marks)
- g. Explain the process of termination of agency. (3 marks)

[Total: 20 marks]

END OF EXAMINATION PAPER