

**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**

JUN 2024

**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 : BRENDA

Brenda is an aspiring farmer. Her focus is on horticulture. She has secured a piece of land and has planted several vegetables including peas, beetroots and eggplants. She has already secured a client who is ready to pay her once the vegetables are ripe. Jane is keen to ensure that she gets a bumper harvest not only to maximize her profit but as a way of impressing her client and possibly getting more clients. She is looking for quality fertilizer for her vegetables and stumbles upon a shop in which several fertilizers are sold. She inquires and the owner of the shop – Farai recommends “Top-Notch fertilizer”, he explains that it is an excellent fertilizer which will give her the results she wants. Jane is hesitant as she has never used this fertilizer before, but Farai assures her that top notch fertilizer is exceptional. On the strength of that assurance, Jane purchases 2 bags of the fertilizer. The receipt from Farai has the following terms:

*“The sellers give no warranty as to the suitability of their product for any purpose whatsoever and do not accept responsibility for any loss, damage or other consequences arising from the use of the said product”.*

Jane proceeds to follow the instructions provided with the Top-Notch Fertilizer and applies the fertilizer the same day but the bags are not enough to cover all the vegetables. Early the next day, Jane discovers that all the vegetables on which she applied the fertilizer had dried up. Only the portion of vegetables where she did not apply the fertilizer are unaffected. Jane is devastated at the loss. She estimates the value of the destroyed vegetables at US\$12 000.

- a. What legal issues arise from the above case study?
- b. What remedies if any are available to Jane?

(20 marks)

(20 marks)

[Total: 40 marks]

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

**QUESTION 2**

Define the following legal terms:

- a. Caveat subscriptor rule. (2 marks)
- b. Obiter dictum. (2 marks)
- c. Ratio decidendi. (2 marks)
- d. Freedom to contract. (2 marks)
- e. Sanctity of contract. (2 marks)
- f. The parole evidence rule. (2 marks)
- g. Privity of contract. (2 marks)
- h. The blue pencil test. (2 marks)
- i. Supervening impossibility. (2 marks)
- j. Court a quo. (2 marks)

**[Total : 20 marks]**

**QUESTION 3**

How is law made in Zimbabwe?

**[20 marks]**

**QUESTION 4**

Citing case law examples discuss the eight essential elements of a contract.

**[20 marks]**

**QUESTION 5**

What are the rights and obligations of parties to an employment contract and how can it be terminated?

**[20 marks]**

**QUESTION 6**

What are the basic principles of insurance law?

**[20 marks]**

**END OF PAPER**