
CERTIFIED PUBLIC ACCOUNTANT
FOUNDATION LEVEL 1 EXAMINATION
F1.2: INTRODUCTION TO LAW
MONDAY: 3 DECEMBER 2018

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.

QUESTION ONE

- (a) Ngoga of Kigali is a wholesaler of iron bars of all sizes. In April 2017, he was approached by Nkunda who expressed interest to open an outlet for iron bars in Ruhengeri. Ngoga agreed to the arrangement and began supplying iron bars as per Nkunda's orders and proceeds were to be banked on his (Ngoga's) bank account. The business progressed well for a year while Nkunda was earning a commission of 2% on profits for each sale. Since May 2018, Ngoga has declined to supply iron bars to Nkunda despite several reminders. Nkunda is claiming RWF 500,000 as outstanding commission from Ngoga, in vain. Ngoga has denied liability, arguing that verbal appointment of Nkunda did not amount to any business relationship.

Ngoga is facing another challenge. In October 2017, Sehene, a brother of Nkunda accessed the stores, picked 7,000 iron bars and sold them to Gatere. He claimed that he was Ngoga's agent. It transpired that 200 iron bars had factory defects. When Gatere approached Ngoga for replacement of the damaged iron bars, he (Ngoga) agreed to replace them but no action was taken. Gatere's several demands for replacement of the damaged iron bars or a refund of the money has not yielded any fruits.

REQUIRED:

- Raise and resolve issues arising from the facts. (12 Marks)
- (b) State the different classes of insurance recognized in Rwanda. (8 Marks)
- (Total 20 Marks)**

QUESTION TWO

- (a) Dr. Ndabarinza is a well-known herbalist in Rusizi town. On 1 January 2018, Dr. Ndabarinza was invited for a television talk show to enlighten the nation on how he intended to kick child fever out of the country. He assured the nation that he had invented a vaccine called Ndabarinza vaccine, which was safe and effective for children below 10 years old. He said, "I am depositing RWF 5,000,000 with the administration of this television for any parent whose child suffers from fever despite having been immunised with Ndabarinza vaccine".

Mbarushimana called Dr. Ndabarinza immediately after the interview. Dr. Ndabarinza invited him to his clinic and asked him to come along with his children for immunisation at a cost of RWF 50,000 per dose. Mbarushimana's 5 children were immunised with Ndabarinza vaccine on 2nd January 2018, under the instructions and supervision of Dr. Ndabarinza. Mbarushimana paid RWF 250,000 for the 5 doses.

On 5 June 2018, Mbarushimana's youngest son aged 3 years was diagnosed with high fever. Mbarushimana contacted Dr. Ndabarinza, claiming for RWF 5,000,000. However, Dr. Ndabarinza informed him that the statement he made during the television interview was intended to attract customers. Mbarushimana claims that he has a contract with Dr. Ndabarinza and is seeking for advice.

REQUIRED

- Raise and resolve all the relevant issues. **(12 Marks)**
- (b) Describe types of contracts that may be made without consideration. **(4 Marks)**
- (c) State circumstances under which a natural may not have capacity to contract, under the Law of contract in Rwanda. **(4 Marks)**
- (Total 20 Marks)**

QUESTION THREE

- (a) Shema who owns a jewellery shop in Kicukiro district sold a gold necklace to Gatanzi, on terms of “sale or return in 10 days.” Three days after, Shema realised that she had sold the necklace at a low price. She immediately contacted Gatanzi and told him to return the necklace. Gatanzi ignored Shema’s demands, since he had already resold it at a higher price. Shema has continued demanding for the necklace, insisting that there were still 6 days of grace with an option to return the necklace.

In another development, Buyoga bought a wheelchair for his wife from Ruhango Distributors. This was after the foldable wheelchair was recommended by the sales officer of Ruhango Distributors as the best choice for Buyoga’s wife.

When Buyoga’s wife sat in the wheelchair, the metallic frame broke and injured her. Buyoga claimed for compensation for injuries sustained by his wife and refund of the purchase price from Ruhango Distributors. However, Ruhango Distributors insists that Buyoga should have taken more care when using the wheelchair. Buyoga now seeks for your advice.

REQUIRED:

- Raise and resolve the issues involved. **(12 Marks)**
- (b) State the distinct characteristics of negotiable instruments, recognised by Law in Rwanda. **(8 Marks)**
- (Total 20 Marks)**

QUESTION FOUR

- (a) Briefly explain each of the following within the provisions of Rwandan Law.
- (i) Equal access to land. **(2 Marks)**
 - (ii) Transfer of rights over land. **(2 Marks)**
 - (iii) Categorization of land. **(6 Marks)**
- (b) Outline the obligations of the association of co-owners of a condominium property in Rwanda. **(10 Marks)**
- (Total 20 Marks)**

QUESTION FIVE

- (a) Distinguish the following:
- (i) Civil and criminal law. **(4 Marks)**
 - (ii) Substantive and procedural law. **(4 Marks)**
 - (iii) Public and private law. **(4 Marks)**
- (b) Explain the sources of national law in Rwanda. **(8 Marks)**
- (Total 20 Marks)**

QUESTION SIX

- (a) Outline roles of the three branches of the state in Rwanda. **(12 Marks)**
- (b) Explain the advantages of arbitration. **(8 Marks)**
- (Total 20 Marks)**

QUESTION SEVEN

- (a) Explain the general provisions under the Law of torts concerning:
- (i) Elements of negligence. **(6 Marks)**
 - (ii) Defences in defamations. **(8 Marks)**
- (b) Describe remedies available for the tort of nuisance. **(6 Marks)**
- (Total 20 Marks)**