



INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF RWANDA
Driving Sustainable Performance



CERTIFIED PUBLIC ACCOUNTANT

FOUNDATION 1 EXAMINATION

F1.2: INTRODUCTION TO LAW

TUESDAY: 7 JUNE 2016

INSTRUCTIONS:

- 1. Time Allowed: 3 hours 15minutes (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

Kamali a cattle farmer owning 10 hectares in *Giswati* farmlands grazes cattle on 7 hectares, and does farming on the remaining 3 hectares. For the security of his animals, he keeps a dog called Dox.

Musoni is Kamali's neighbor and while returning from his farm, was attacked by Dox which had escaped causing him serious body injuries and tearing his cloths. Musoni is uncertain as to whether animals can be held liable for their wrongful acts.

- Explain the principle which will be applicable for the above case. (10 Marks)
- Explain defenses which may be applied against the above principle. (5 Marks)
- State the characteristics of a reparable damage. (5 Marks)

(Total 20 Marks)

QUESTION TWO

- State the general requirements for the formation of a contract in Rwanda. (8 Marks)
- State the elements of a valid contract. (3 Marks)

(c) Mfura's parents passed away when he was 16 years old leaving him a house at Kimisagara in

Nyarugenge District. When he was 18 years he sold his house to Kigoryi, a Biryogo resident who was aged 30 years. On attaining 21 years he realized that Kigoryi had duped him on the aforementioned sale of house, Mfura wants to cancel the contract.

Required:

Based on the law of contract advise the legality of the above transactions (9 Marks)

(Total 20 Marks)

QUESTION THREE

- State the essentials of the agency contract. (10 Marks)
- Define the concept "Commission/Commercial Agent", and explain the relevance of this person to the corporation. (10 Marks)

(Total 20 Marks)

QUESTION FOUR

- Discuss the powers of the head of state as enshrined under the Rwandan constitution (10Marks)
- Explain the powers of judiciary (5Marks)
- "International law is consent based government." Discuss. (5 Marks)

(Total 20 Marks)

QUESTION FIVE

Mr. David lent Frw 2,000,000 to his friend Mr. Wenger who while at Amahoro Stadium watching Amavubi match, fraudulently obtained Mr. Byusa's *cheque* book and endorsed one in favor of David in settlement of David debt. Unknown to David that the *cheque* was stolen, he presented it to the bank and was paid. Byusa has filed a case against David. Mr. David has approached you for advice.

- a) Advice both David and Byusa (10 Marks)
 - b) State and explain the elements of a *cheque* (6 Marks)
 - c) Explain the negotiable character of a *cheque* (4 Marks)
- (Total 20 Marks)**

QUESTION SIX

Discuss the different structures of Arbitration. (Total 20 Marks)

QUESTION SEVEN

- a) State and explain various types of sanctions attached to a legal rule (8 Marks)
 - b) Distinguish between common law system and civil law system (8 Marks)
 - c) Define the term law (4 Marks)
- (Total 20 Marks)**

End of question paper

