



INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF RWANDA  
Driving Sustainable Performance



# CERTIFIED PUBLIC ACCOUNTANT FOUNDATION LEVEL 1 EXAMINATIONS

## F1.2: INTRODUCTION TO LAW

**TUESDAY: 06 JUNE 2017**

### INSTRUCTIONS:

- 1. Time Allowed: 3 hours 15 minutes (15 minutes reading and 3 hours writing).**
- 2. This examination has seven(7) questions and only five(5) questions are to be attempted.**
- 3. Marks allocated to each question are shown at the end of the question.**
- 4. Any assumption made must be clearly and concisely stated.**
- 5. All iCPAR Examination rules and regulations apply.**

@iCPAR

**Attempt any five questions**

**QUESTION ONE**

(a) Ngaruye, a cattle farmer in Nyagatare, was approached by Mukunzi a businessman who buys cattle from Uganda and sells them in Rwanda. They agreed that Mukunzi could keep his cattle at Ngaruye's farm before sale. Sooner than later, Ngaruye realised that his farm was losing a lot of pastures. He advised Mukunzi to find an alternative farm to keep his cattle but he did not take any action. Consequently, Ngaruye decided to sell off some of Mukunzi's cattle. When Mukunzi realised that some of his cattle had been sold off, he threatened to sue Ngaruye. In response, Ngaruye told Mukunzi that he was acting under the law of agency of Rwanda.

In another development, Mukunzi engaged Shema as his agent to sell his cattle in Burundi. The business was progressing well until last month when the truck Mukunzi was using to deliver cattle broke down. Shema used his own money amounting to

Frw 2 million to repair the truck, so that the business could continue. He informed Mukunzi about it and demanded for a refund of the funds used to repair the truck. Mukunzi has been reluctant to pay him, alleging that Shema makes a lot of money in business deals, and should not be considered for a refund.

**REQUIRED:**

Identify the legal issues arising from the given facts and suggest how to resolve them. **(12 Marks)**

(b) If Mukunzi, was to purchase land for his cattle business, advise him on the categories of land as per the Law on land use and management in Rwanda. **(8 Marks)**

**(Total 20 Marks)**

**QUESTION TWO**

In January 2017 as Mwereka was driving from Kigali to the Airport, he saw a wide-load trailer heading in the same direction. Mwereka who was in hurry to catch a flight to Nairobi hooted for clearance to overtake. Mahane, a driver of the trailer refused to give way. Instead, he increased the speed. Angered by this action, Mwereka parked his car on the road side jumped on a motorcycle and chased Mahane.

Mwereka caught up with Mahane and put him at gun point using a pistol he was licenced to carry. He ordered Mahane to park on the road side and give him way. Mahane complied but alerted police on phone.

Mwereka was arrested at the airport. However, it was established that there were no bullets in his gun. He was prosecuted and convicted on a plea of guilty and sentenced to a caution by the Court sitting at Kanombe.

Mahane is now contemplating to sue Mwereka for assault. On the same day, while Shema, Mwereka's driver was returning Mwereka's vehicle from Kanombe International Airport, he swerved from his lane as he was engrossed in a mobile phone conversation and had a head-on collision with an oncoming car. Nkunzi, the driver of the other car, sustained serious injuries and has vowed to sue Mwereka for damages caused by Shema. Meanwhile, Mwereka's car was not insured since he totally does not know anything about types of insurance in Rwanda.

**REQUIRED:**

- a) Identify the legal issues arising from the given facts and suggest how to resolve them. (12 Marks)
  - b) Explain to Mwereka the different types of insurance in Rwanda. (8 Marks)
- (Total 20 Marks)**

**QUESTION THREE**

(a) Ngoga is a businessman in Kigali, whose business has been facing hard times. Recently, he met Shyaka, who persuaded him to enter into a joint business of importing goods. Ngoga was however, not keen to know about the specific products to deal in at the time of signing the agreement. Unknown to Ngoga, Shyaka's major business was smuggling of Marijuana. Ngoga contributed Frw 1,000,000 towards the business. He was, however, shocked to learn that Shyaka had been arrested at the border. Shyaka managed to escape from police custody.

When Ngoga demanded for a share of the profits, Shyaka's response was that it would not be possible for Ngoga to get anything.

Meanwhile Gatera, Ngoga's son heard about his father's financial problems with Shyaka. He approached Mporera, Shyaka's mother and directed her to hand over all the weekly collections from her shop otherwise, her son Shyaka would be dealt with. Mporera agreed to sign an agreement to hand over the money. At the end of the week, Mporera never handed over any money despite demands and reminders from Gatera.

**REQUIRED:**

- Identify the legal issues arising from the given facts and suggest how to resolve them. (12 Marks)
- (b) (i) Define the term "a cheque" (2 Marks)
  - (ii) Explain the different forms of a cheque. (8 Marks)
- (Total 20 Marks)**

**QUESTION FOUR**

- (a) Explain the major sources of law in Rwanda. (10 Marks)
  - (b) Explain how an agency may be terminated by operation of Law. (10 Marks)
- (Total 20 Marks)**

**QUESTION FIVE**

- (a) Distinguish between a promissory note and a bill of exchange. (12 Marks)
  - (b) Under the law of sale of goods, distinguish between a sale and an agreement of sale in the following situations:
    - (i) When there is a transfer of property (4 Marks)
    - (ii) When there are consequences following a breach. (4 Marks)
- (Total 20 Marks)**

## QUESTION SIX

(a) (i) Define the following terms

- Law. (1 Mark)
- Ethics. (1 Mark)

(ii) Explain the differences between law and ethics. (8 Marks)

(b) (i) Describe the different branches of the state as provided by the constitution of the Republic of Rwanda. (6 Marks)

(ii) Explain the meaning of mediation and arbitration as categories of alternative dispute resolution. (4 Marks)

**(Total 20 Marks)**

## QUESTION SEVEN

(a) Explain the main types of Courts in Rwanda. (2 Marks)

(b) Explain the hierarchy of Courts in the Rwandan judicial system from the highest to the lowest. (8 Marks)

(c) Define the term 'contract'. (2 Marks)

(d) Explain how a contract may be discharged. (8 Marks)

**(Total 20 Marks)**

---

**End of question paper**