
CERTIFIED PUBLIC ACCOUNTANT
FOUNDATION LEVEL 1 EXAMINATION
F1.2: INTRODUCTION TO LAW

MONDAY: 3 JUNE 2019

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

Bankunda Company was incorporated 5 years ago in Kigali. Nzampaka, the company director suspected Giramata, the secretary to CEO, of stealing a computer. He locked her up in her office with the intention to call the police. Prior to this incident, Giramata did not know that she was suspected of being a thief. She attempted to get out of her office for lunch but the company security officer who was guarding the door on Nzampaka's orders informed her that Nzampaka had gone with the key. She (Giramata) was locked up for 4 hours before Nzampaka returned with a police officer. The police officer carried out a thorough check of the offices and found the computer among items for repair in the stores department.

In another incident, Shema is a well-established model cattle farmer in Rwanda. Gashumba, his neighbour, is a sorghum farmer. On night, Shema's cattle escaped from his kraal and destroyed Gashumba's sorghum.

REQUIRED:

- (a) (i) Giramata is not happy with the whole ordeal. Advise her appropriately, basing on relevant legal provisions. **(4 Marks)**
 - (ii) Shema approaches you as an expert in the law of torts. Advise him appropriately. **(4 Marks)**
 - (iii) Advise the parties about relevant remedies (if any) available to them. **(4 Marks)**
 - (b) Explain the exceptions to the rule that an employer cannot be liable for the torts of an independent contractor. **(8 Marks)**
- (Total 20 Marks)**

QUESTION TWO

- (a) Dusabe and Mbaraga were long-time friends for over 10 years. However, the trust between the two waned over time. Last month, Mbaraga invited Dusabe to a hotel in Byumba, Northern Province. They were joined by Mbaraga's two other friends. Mbaraga requested his two friends to prevail over Dusabe for payment of Frw 3 million, alleging that he had found Dusabe having a love affair with his wife in a hotel. Unknown to Dusabe, Mbaraga's friends had sticks. They threatened to beat and lockup him (Dusabe) in a hotel room, if he failed to comply.

Having sensed that his life was in total danger, Dusabe drew an open cheque in favour of Mbaraga. Dusabe is now seeking your advice.

The following day, Mbaraga endorsed the cheque to Uwimana, who had sold to him a secondhand car on credit. On the same day, Uwimana presented the cheque to Kahondo Bank, and it was cashed. When Dusabe approached the bank in an effort to stop any transactions on the cheque, he found out that the cheque had already been cashed.

REQUIRED:

Basing on relevant legal provisions, give appropriate advise to:

- (i) Uwimana. (4 Marks)
 - (ii) Dusabe. (4 Marks)
 - (ii) Uwimana and Dusabe, if there are any remedies available to them. (4 Marks)
 - (b) Outline circumstances under which the acceptance of a bill of exchange may be restricted. (8 Marks)
- (Total 20 Marks)**

QUESTION THREE

Shyaka borrowed Frw 20,000 from Gatera and agreed to repay it in a period of 2 months. Unfortunately, Shyaka fell sick and could not pay in time. Gatera went to Shyaka's home and threatened to lock him up and his son until all his money was paid. When Shyaka's wife, Kirezi learnt of Gatera's threats, she agreed to pay the money in order to avoid humiliation and embarrassment to her husband. However, Kirezi also failed to raise the money to settle the debt. Gatera now intends to sue and recover his money from Kirezi.

In another scenario, Uwamahoro agreed to buy 50 bags of mangoes from Turatsinze, for which he made a 10% advance payment. A day before Turatsinze was to deliver the mangoes, there was a heavy downpour, rendering the roads impassable. The downpour lasted for three days. Immediately after the downpour, Uwamahoro demanded for delivery of the mangoes from Turatsinze. However, Turatsinze never delivered the mangoes. Uwamahoro is now set to sue Turatsinze.

REQUIRED:

- (a) Explain:
 - (i) Whether Shyaka has a right to sue Kirezi for the loan he accorded to Gatera (4 Marks)
 - (ii) Whether Turatsinze had defences for not supplying to Uwamahoro. (4 Marks)
 - (iii) Whether there are any remedies available to the aggrieved parties. (4 Marks)
 - (b) Outline the different types of contracts that must be in writing. (8 Marks)
- (Total 20 Marks)**

QUESTION FOUR

- (a) Outline the key features of an agency. **(8 Marks)**
 - (b) Explain the duties of a principal under the law of agency. **(6 Marks)**
 - (c) Describe the different types of agency. **(6 Marks)**
- (Total 20 Marks)**

QUESTION FIVE

- (a) Distinguish between a sale and an agreement of sale. **(10 Marks)**
 - (b) Explain the rules for determining when property in goods passes to the buyer in a contract for sale. **(10 Marks)**
- (Total 20 Marks)**

QUESTION SIX

- (a) Distinguish between custom and equity. **(4 Marks)**
 - (b) Explain the formal sources of national laws in Rwanda. **(8 Marks)**
 - (c) Explain the general principles of law used by the judicial system in Rwanda. **(8 Marks)**
- (Total 20 Marks)**

QUESTION SEVEN

- (a) Explain the following terms within the meaning of the law creating and organising condominiums:
 - (i) Property owner. **(2 Marks)**
 - (ii) Common elements. **(2 Marks)**
 - (b) Outline the purpose of a condominium association. **(6 Marks)**
 - (c) Describe the different categories of land which may be subject to confiscation, under the law governing land in Rwanda. **(10 Marks)**
- (Total 20 Marks)**