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**CERTIFIED PUBLIC ACCOUNTANT**

**FOUNDATION LEVEL 1 EXAMINATIONS**

**F1.2: INTRODUCTION TO LAW**

**DATE: WEDNESDAY 27, NOVEMBER 2024**

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**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.
4. The question paper should not be taken out of the examination room.

## QUESTION ONE

a) Nyinawimana Janina, Mutabazi Elina and Gatsinzi James were among a group of fifty people who are all members of the Church of God situated at Kibagabaga who went for a retreat in Gisenyi on 15<sup>th</sup> April 2023. While at Gisenyi, they decided to have a boat ride on lake Kivu. Unfortunately, the boat capsized with all the fifty members being on board. Given that there were security personnel along the lake, they noticed the accident and rushed to rescue them. Almost all the members were rescued except Nyinawimana Janina, Mutabazi Elina and Gatsinzi James. The search for their bodies has not borne any fruits and the family members and the church is frustrated and discouraged. In order for the family members to move on there are properties and bank accounts which need to be accessed but the authorities have completely refused. The family is very disappointed and feels that the rights of the presumed deceased members have been violated.

### Required:

i) As a student of Introduction to law, **do you agree with the family that the rights of Nyinawimana Janina, Mutabazi Elina and Gatsinzi James have been violated? Justify your answer.** (2 Marks)

ii) **Explain to the family of Nyinawimana Janina, Mutabazi Elina and Gatsinzi James and church at large the legal position on applying to the court for a declaratory judgment of death.** (3 Marks)

b) Mukamana Annette is a resident of Kanombe Sector and he has recently constructed her home and she wanted to have water installed in her home by the Water and Sanitation Corporation (WASAC). She went to WASAC office and completed all the paper work and made payment and was promised that the water will be fixed within five working days. She waited and there was nothing that happened within the one week provided and so she called the office and she was informed that the people responsible for installation had gone on leave and once they come back then they will facilitate her.

To the surprise of Mukamana Annette, one Mukeshimana Erick who is the immediate neighbour and a civil servant working in the Office of the Lord Mayor applied for the installation of water three weeks after the application for Mukamana Annette but his water was installed within three working days.

When Mukamana Annette went to the office to complain, she was told that she should talk nicely to those who will install the water or else she will have to keep waiting. The statement was shocking and unfortunate and Mukamana Annette did not know what to do next.

### Required:

i) As a candidate of introduction to law, **identify the issues raised in the above case scenario and advise Mukamana Annette on the way forward.** (4 Marks)

ii) **Explain any three principles of law that are in conflict with in the above case scenario.** (3 Marks)

c) Kabera Harison is a renowned businessman in Kigali. He deals with imported new cars and he owns several showrooms in the city. On 15<sup>th</sup> October 2023 Mpenzi Pierre another renowned businessman operating in Musanze came to buy a Prado V8 car and gave him a written promise that he will pay for the said car after one week. The document was well written and Kabera had no problem and he released the car to him. Murekatete Jane who had been recently employed as a receptionist by Kabera Harison was surprised with this mode of payment.

**Required:**

i) Murekatete Jane has approached you as a student of introduction to law for explanation on the above mode of payment. **Define to her that mode of payment and explain to her any other two modes of payment which might have been used excluding payment in cash**

(4 Marks)

ii) **Explain any four requirements of that mode of payment identified in (c) (i) above**

(4 Marks)

**(Total: 20 Marks)**

**QUESTION TWO**

a) Uwimana Harriet is a dealer of important second-hand vehicles operating from Huye. Recently, she imported very classic cars from Germany and the moment she posted the photos of the classic cars in her social media platform, Ntwali Diana went direct to the show room and negotiated the price and they settled at twenty million francs (FRW 20,000,000).

Ntwali Diana explained that she expected to receive some money within a months' time and therefore, requested that a car be released and that by the end of the one-month period, she will pay for the car and indeed the car was released to her and she drove and went her way.

In the meantime, Rukundo Robert, who saw the photos a day after this classic car, had been sold also went to Huye and was informed that the car had been taken. On further inquiry, he was informed that the payment was due in one-months' time. He took time and convinced Uwimana Harriet that he was ready to pay her in cash thirty million francs (FRW 30,000,000).

The deal was very captivating and Uwimana Harriet was prompted to telephone Ntwali Diana informing her that the vehicle is required to be taken for inspection for purposes of taxes and then she will return the car to her after the exercise. When she returned the car, Uwimana Harriet sold it to Rukundo Robert for the aforesaid amount in cash.

After two days, Ntwali Diana called Uwimana Harriet to inquire if the car was available so that she will go to pick it. To her surprise, she was informed that Uwimana Harriet was in need of cash urgently and therefore decided to sell the car for cash to address the need. Ntwali Diana was infuriated and she is contemplating of going for the car arguing that she had bought the car and if Rukundo Robert will not comply, she will go to court.

**Required:**

- i) Bring out the issues raised in the above case study and explain the position of law with regard to Ntwali Diana. **Who do you think is the owner of the car between Ntwali Diana and Rukundo Robert? Justify your answer.** (4 Marks)
- ii) **Explain any three differences between the buying of the car by Ntwali Diana and Rukundo Robert.** (6 Marks)

b) Kabandana Jolie owns several rental apartments in Kigali, Musanze, Rwamagana and Ruhango. Previously, his niece Umutoni Grace used to collect rent and attend to any need or repairs in the said rental apartments because Kabandana Jolie and the family lives in Belgium. Umutoni Grace left the country for further studies in America leaving Kabandana's rental apartment without someone to collect rent and maintain the apartments for him. Kabandana contacted his old-time friend Kayonde Landry and instructed him to be collecting for him the rent from time to time and undertake any repair and other maintenance activities in his rental apartments. Kabandana informed Kayonde that at an appointed time, he will appreciate him for assisting him. Kayonde Landry has faithfully and diligently carried out his duties for the past one year and Kabandana is a happy man.

**Required:**

- i) **Identify the arrangement brought out in the above case scenario (between Kabandana and Kayonde) and define the arrangement you have identified.** (4 Marks)
  - ii) **Explain any three characteristics of the arrangement you have identified in (b) (i) above.** (6 Marks)
- (Total: 20 Marks)**

**QUESTION THREE**

a) Kayumba Gerald and Gasana Hosea have just recently enrolled themselves to study CPA at ICPAR. They were informed that among the subjects they will study one of them will be Introduction to Law. They were very much excited because they wanted to have knowledge of law.

Kayumba inquired from Gasana if he has any knowledge of law and he said that he has some basics. He told him that "The Rwandan State is an independent, sovereign, democratic, social and secular Republic; the principle governing the Republic is "government of the people, by the people and for the people". He further told him that "All the power derives from the people. No group of people or individual can vest in themselves the exercise of power. National sovereignty belongs to the people who shall exercise it directly by way of referendum or through their representatives.

On his part, Gasana also told Kayumba that he knows the law governing Rwandan Nationality, the law establishing the court of appeal and the law establishing general provisions governing public institutions, law on functioning of the Chamber of Deputies, law on functioning of the

Senate, law on benefits of the President and former Heads of the State and law on benefits of Cabinet members.

Kayumba concluded by saying that the President of the Republic also makes the law and there also laws made outside Rwanda but are applicable in Rwanda. To that level they proved that they have some knowledge of law and they looked forward to learn more.

**Required:**

As a candidate of introduction to law sitting for the paper, **identify the topic brought out by Kayumba and Gasana in the scenario above. Is true that the President of the Republic of Rwanda makes law? If your answer is yes, explain how.** (6 Marks)

b) Ingabire Isaac owns a house in Kanombe which he had given to Mugisha John for a monthly rent of five hundred thousand (500,000FRW). Mugisha lived in the house for two years continuously after which Ingabire gave Mugisha a notice of three months to vacate the house for he intended to occupy it with his family. Mugisha was not willing to vacate arguing that he is ready to continue paying the rent. Ingabire is planning to get the police and force Mugisha to vacate.

**Required:**

As a candidate of Introduction to law, **do you think Ingabire is justified to forcibly evict Mugisha from the house? Justify your answer and explain the right Ingabire is using to evict Mugisha.** (4 Marks)

c) Rita Uwamahoro got married to Peter Kamau a Kenyan national in the year 2018. The marriage was solemnized in Nairobi, Kenya. In 2022, the marriage started to develop problems and Rita returned to Rwanda. The parents have tried to intervene to resolve the dispute but all in vain. The couple decided that they should file for divorce.

**Required:**

As a candidate of Introduction to law, **in which country can they file their divorce case? Explain any three features of the legal system of the country where the divorce case is to be filed.** (4 Marks)

d) Mugabo Innocent and Gashugi Evariste are employees of the Ministry of Finance. Mugabo works as an Accountant and Gashugi as an Internal Auditor. It was recently discovered that Mugabo had stolen two million francs (2,000,000FRW) by exaggerating the price of the goods that were supplied to the ministry. Gashugi while auditing did not go through the tender documents and therefore made no mention of the lost money.

**Required:**

As a student of company law, **what action do you think shall be taken against the two? Which type sanctions shall apply to them.** (3 Marks)

e) Mbanda Jules has been working very hard over time and has managed to build an excellent house in Kimironko which costed him Five hundred million francs (FRW 500,000,000). He has just married and has two children below the age of four years and was detected with some growth in his chest and he hopes that it may not be a cancerous growth. His friend Mudereri Emmanuel advised him to take an insurance cover so that he is better protected.

**Required:**

**What type of insurance can he take against the house and the anticipated disease? Explain the roles played by the types of insurance identified.** (3 Marks)  
(Total: 20 Marks)

**QUESTION FOUR**

Gasisikare Jules and Kinyanjui Evans are prominent businessmen from Rwanda and Kenya respectively. They both deal with the business of clothes and footwears for children and women. Before they started the business in 2015, they entered into an arbitration agreement which provided that in case any dispute will arise between them they will resort to arbitration first and if they will not succeed then the courts of law will be the last resort. They also agreed that they shall be guided by Law n° 005/2008 of 14/02/2008 on arbitration and conciliation in commercial matters on the appointment of arbitrators. From 2015 to 2022, they had no single dispute and they were both doing very well in business.

In February 2023, Kinyanjui supplied Gasisikare with four hundred bales of clothes and two hundred boxes of foot wares. As a routine Gasisikare signed the delivery note and Kinyanjui looked forward for payment after one month. After a month, Gasisikare deposited an amount equivalent to three hundred bales and two hundred boxes of footwears. When Kinyanjui saw the payment, he inquired from Gasisikare who maintained that he paid for what he received. Kinyanjui told him to check the delivery note but he maintained that he had signed the delivery note without ascertaining the number of bales and boxes received.

Since they would not solve the dispute themselves, they decided to resort to arbitration. They appointed the arbitrators and they embarked on arbitration process. Before providing them with the arbitral award, Kinyanjui found the arbitrators together with Gasisikare in one bar in Kigali drinking and money was changing hands and he suspected that he has been sort changed and he raised concerns about the impending arbitral award. Notwithstanding the objection raised by Kinyanjui, the arbitrators went ahead and issued the arbitral award which was in favour of Gasisikare.

### **Required**

- a) As a student to Introduction to Law, **explain the position of law on the appointment of arbitrators.** (6 Marks)
- b) From the case scenario above, **explain the position of law on any two grounds which can lead to the disqualification of arbitrators.** (4 Marks)
- c) **Do you think that Kinyanjui can recognize the arbitral award as demonstrated in the case scenario above? Justify your answer.** (2 Marks)
- d) **Explain the position of law on the grounds for refusing recognition or enforcement of the arbitral award.** (8 Marks)

**(Total: 20 Marks)**

### **QUESTION FIVE**

a) Rugabira John own cars which he gives out on hire. On June 2024, Rumongi Dan hired a Toyota Corona from Rugabira for a period of one week. Before the end of the week, Rumongi's wife fell sick and he urgently needed money and he decided to sell the car to get the money for the treatment of his wife. He sold the car to Subira James who bought it without knowing that the car had been hired. When Rugabira realized that his car had been sold, he reported the matter to the police who helped him to pick his car from Subira. Subira has not been paid his money which he bought the car and he is contemplating to go to court.

### **Required:**

**Was Rugabira John right in confiscating his car which had been sold to Subira? Justify your answer and explain the rights of Rugabira and Rumongi.** (4 Marks)

b) Bushaija Shema own a general shop at Musanze. On 10<sup>th</sup> July 2024 after he had opened his shop in the morning, he received a call from a friend who wanted to see him urgently someone kilometre away from his shop and told his fifteen (15) years old boy to stand for him. Immediately, after Bushaija had left a customer came who wanted to buy ten cartons of milk. On inquiry, the boy told him that each box will cost two thousand five hundred francs (FRW 2500) but the real price was seven thousand five hundred francs (FRW 7500). When the father returned back, the boy told him how he sold the milk and he was very furious and he want to know that customer so that he can follow him for the outstanding balance of fifty thousand francs (FRW 50,000).

### **Required:**

**Explain the position of law on the fifteen years (15) old boy, the father and the customer.** (3 Marks)

c) Nkubara Robert entered into a contract for the sale of land with Mbanzabigwi Ted and made a payment of fifty million francs (FRW 50,000,000). A day after the payment, before undertaking the paperwork with the notary, the government issued a directive suspending the sale or buying of land for a period of two years. Nkubara and Mbanzabigwi are now confused and they do not know what to do.

In the meantime, Nkubara Robert had entered into an agreement with Kimenyi Yvan who imports water heaters to supply him with ten heaters at the cost of one million francs (FRW 1,000,000) per heater. Unknown to Kimenyi the price of the heater in the market had increased to three million francs (FRW 3,000,000) per heater. Nkubara had already paid Kimenyi ten million francs (FRW 10,000,000) in advance for the said heaters. Kimenyi is confused and he does not know what to do with this contract.

**Required:**

- i) **Explain to Nkubara and Mbanzabigwi how they can be discharged from their contractual obligation.** (3 Marks)
  - ii) **Explain to Nkubara and Kimenyi how they can be discharged from their contractual obligation.** (3 Marks)
  - iii) **Explain any other four ways through which contractual obligations are discharged.** (4 Marks)
  - iv) **Explain any three types of contracts classified on the basis of legal effect.** (3 Marks)
- (Total: 20 Marks)**

**QUESTION SIX**

a) Ngabonziza Reuben is a university lecturer and he resides at Gikondo. Sekibibi Dave is his domestic servant for five years. On 15<sup>th</sup> July, Ngabonziza instructed Sekibibi to go to the market and buy a full banana and other foodstuff which will take them through the week. Unknown to Ngabonziza Sekibibi passed through the neighbour's land and cut off is ready banana and pretended to have bought it. He cooked that banana for supper for the said date and Ngabonziza enjoyed the supper. Two days later, the stolen banana was traced up to Ngabonziza's home.

**Required:**

- i) As a candidate of Introduction to law, **do you think that Ngabonziza can be held responsible for the acts of Sekibibi (servant).** (1 Mark)
  - ii) In order for Ngabonziza to be held responsible, **which conditions must be present.** (4 Marks)
- b) Singobile Solomon approached the bank for a mortgage of three hundred million francs (FRW 300,000,000) to construct his residential house. The bank gave him the mortgage and he constructed a very beautiful house at Nyamata. Within a period of two years, he was up to date with his mortgage payment. Having paid two hundred and fifty million francs (FRW 250,000,000) of the mortgage, the company where he was working started to experience



financial constraints and their salaries started to delay and hence defaulting to service his mortgage. The bank took a decision of selling his house to recover eighty million francs (FRW 80,000,000) being the outstanding mortgage balance and interest. When the house was put on auction, Singobile talked to friends who arranged for him the sum of eighty million francs (FRW 80,000,000) so that he purchased the house. When time came, Singobile bought the house from the bank but the Rwanda Revenue Authority was on standby and demanded that Singobile pays the tax. Singobile told RRA that he did not buy any house.

**Required:**

From the case scenario, **do you agree with Singobile that he did not buy the house? In order for Singobile to be made responsible for a contract of sale, what elements must be present?** (5 Marks)

c) Uwimbabazi Sylvia went to Kimironko market to buy some clothes. While in the market, a misunderstanding arose between her and the vendor in the market which led to a fiscal confrontation where the vendor was injured. Uwimbabazi was arrested but later released as the police are preparing the case. Uwimbabazi comes from Rwamagana and she is wondering which court is going to be taken.

**Required:**

**Explain to Uwimbabazi Sylvia the position of law on territorial jurisdiction in criminal courts.** (5 Marks)

d) Ngarambe Nicole and Umunyana Rose have just completed their secondary education and are looking forward to join the University of Rwanda where they will study law and they are very excited. In their discussion on the meaning of law, Ngarambe explained that once laws are made, people will choose to obey them or not; she also suggested that laws are made to serve a particular group of people in the society and that people obey them if they are good. Umunyana did not fully agree with Ngarambe's explanation and was of the view that people must obey the laws whether they are good or bad and that law is made for the entire society and not for any particular group of people. Finally, Umunyana also explained that laws are commands which must be followed.

**Required:**

**Whose explanation between Ngarambe and Umunyana reflects the true meaning of law? Explain any two characteristics espoused in the above case scenario.** (5 Marks)

**(Total: 20 Marks)**

## QUESTION SEVEN

a) Rumiya Sandrine and Mutangwa Steve are all candidates of ICPAR who are prepared to attempt their first exams in December 2024. In their informal discussion in one fine weekend Rumiya explained that law originated with the “social contract” in which in those days people sat down and agreed that they recognize norms which is acceptable to all people and ensure that those norms are respected and failure to respect them people should be reprimanded. Mutangwa on her side explained that the origin of law is found in the bible where God had provided the children of Israel with a stone tablet containing the ten commandments which spelt out the beginning of law. At this stage, Rumiya asked Mutangwa if the laws have got nothing to do with history or taxation. Mutangwa did not have any explanation and he was even confused.

### **Required:**

**From the scenario above, point out the topic, issues of discussion and explain the value of the topic of discussion.** (5 Marks)

b) Viera Yeetah and Mutoni Yvan Ltd Company entered into a contract of sale of land worth seven hundred million francs (700,000,000FRW). Viera paid the aforesaid amount through a direct bank transfer to Mutoni Yvan Ltd Company account. Once the company received the money, Mutoni said that Viera should pay twenty million francs (20,000,000FRW) being administrative cost, an item which was not in the contract. This prompted Viera to go to court and the court made a ruling in favour of Viera but Mutoni is not satisfied and she intends to appeal the decision.

In the meantime, Umutoniwase one of the shareholders who is a high-ranking military officer having succeeded to sell the company land invited her friends to a bar where they drunk overnight. In the wee hours of the day, an altercation arose between Umutoniwase and one lady customer which resulted in a physical confrontation which left the lady customer without her two upper front teeth. Umutoniwase was taken to court and she was found guilty but not satisfied with the court decision she is intending to appeal.

### **Required:**

i) From the case scenario above, **explain which court did Viera took Mutoni Yvan Ltd Company and why. If Mutoni Yvan Ltd Company is appealing the decision in favour of Viera which is the right court for the appeal.** (3 Marks)

ii) **Which court did Umutoniwase as the high-ranking military officer was taken and where can she file her appeal against the decision of the first instance.** (2 Marks)

c) Mfizi James is aged thirty years and was born in Uganda by his Rwandese parents. He has lived in Tanzania for a period of twenty-seven years. He recently migrated to Rwanda where he came to discover that his name attracted a lot of ridicule. He would not understand why his

parents decided to give him such a name. Mfizi is now contemplating to change his name but he does not know the position of law in Rwanda regarding the change of name.

**Required:**

As a candidate of Introduction to law, **explain to Mfizi James the legal position in Rwanda with regard to the change of name with its legal effects thereof.** (5 Marks)

d) Tuyizere Andre and Selengia Innocent are childhood friends. They schooled together in secondary school. In their formative years, they also started the Business of importing timber from Congo. They would travel together to Congo and in most of the time, purchase the timber and organize for its transportation. This continued for a period of five years after which Tuyizere was involved in an accident leading to the amputation of his left leg. This made his travel to and from Congo difficult. In many times, Selengia went and bought or ordered for the goods on behalf of Tuyizere who always paid on delivery. This continued for three years when at one point unknown that the prize of timber had changed and Tuyizere through Selengia had ordered a big consignment of timber. When the delivery was made and he saw the amount to be paid, Tuyizere refused to pay and told Selengia to pay instead. Selengia refused arguing that he acted on behalf of Tuyizere and therefore Tuyizere alone can pay.

**Required:**

As a candidate of Introduction to law, **explain how the relationship between Tuyizere and Selengia was created. Explain any three other ways in which the relationship you have identified in the case scenario above can arise.** (5 Marks)

**(Total: 20 Marks)**

**End of Question Paper**

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