



CERTIFIED PUBLIC ACCOUNTANT
FOUNDATION LEVEL EXAMINATIONS

F1.2: INTRODUCTION TO LAW

DATE: WEDNESDAY 27, AUGUST 2025

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) Mr. Guy and Mrs. Uwera Hortense (husband and wife) got married and waited for many years to have a child, but in vain. They eventually decided to use In Vitro Fertilization (IVF) to conceive. In vitro fertilization is an artificial method of fertilization that involves combining a female egg and male sperm outside the human body.

After five months, they died in a car accident while on their way to the hospital to visit their developing baby. After their death, both families met to discuss how the succession would be handled. They began by identifying all assets to be divided equally between the husband's family and the wife's family. During the meeting, a member of the husband's family reminded everyone that a baby boy would be born in two months, and he would be the sole heir of the deceased couple. However, another family member cited Article 52 of the Law Governing Matrimonial Regimes, Donations, and Successions, which states that succession happens upon the death of a person at their domicile or residence. Therefore, it was argued that it is not necessary to wait for the birth of the baby boy.

Required:

As a candidate of Introduction to Law familiar with family matters, argue your position. (5 Marks)

b) Mr. Mutabaruka John, who was in charge of infrastructure at the district level, went on annual leave for one month. After his leave, he resigned from his position. The Mayor of the District, along with the bureau, decided to wait for a specialist in the field and recommended that the position remain vacant for a period of one (1) year. He emphasized that infrastructure-related services should not be delivered to citizens until the appropriate specialist is recruited and assumes the role.

As a result of the vacancy in the position of Infrastructure Officer at the District level, citizens, especially those seeking construction permits have complained about not receiving services as required by law. Some citizens are being served, while others are not, leading to claims of unequal service delivery.

Required:

i) Assume that you are a Governor of the Province that supervises that District and informed of the complaint, **discuss any principles that have been violated?** (4 Marks)

ii) As a law specialist, **explain the privilege that the Mayor of the District has exercised.** (1 Mark)

iii) **Discuss the techniques of management** (2 Marks)

c) Ineza Ltd, a wholesale electronics distributor, entered into an agreement with TECK Electronics Ltd, a retail chain, for the supply of goods worth twenty million francs (FRW 20,000,000). As part of the payment arrangement, TECK Electronics Ltd issued a post-dated cheque to Ineza Ltd. Before the cheque's due date, Ineza Ltd faced financial difficulties and sold the cheque at a discount to a third party, Mr. Abimana John, who took the cheque in good faith, for value, and without any knowledge of TECK Electronics Ltd's financial situation.

Upon maturity, Mr. Abimana John presented the cheque to the bank, but it was dishonoured due to insufficient funds. Ineza Ltd and Mr. Abimana John both filed separate legal actions to recover the amount from TECK Electronics Ltd.

Required:

Discuss the legal implications of this scenario with reference to the distinct characteristics of negotiable instruments (8 Marks)

(Total: 20 Marks)

QUESTION TWO

a) Mr. Umuhire and Mrs. Kamana set out the following terms in writing: “Upon full payment of ten million francs (FRW 10,000,000) by Mr. Umuhire, the use and enjoyment of Mrs. Kamana’s 2010 Toyota Yaris shall transfer to Mr. Umuhire permanently”. Mr. Umuhire is not in a financial position to obtain credit for the amount of ten million francs (FRW 10,000,000) and therefore reaches an agreement with Mrs. Kamana to pay three million francs (FRW 3,000,000) per month to use the car for five months.

After two months of paying the (FRW 3,000,000) to Mrs. Kamana, Mr. Jayden becomes aware of the arrangement and pays (FRW 10,000,000) in full. As a result, Mrs. Kamana terminates the rental agreement, stating that the vehicle now has a rightful owner.

Mr. Umuhire informs Mrs. Kamana that he will take permanent possession of the vehicle as stipulated in the original written agreement and offers to pay the remaining balance toward the (FRW 10,000,000). However, Mrs. Kamana refuses to relinquish ownership of the vehicle and seeks a court ruling to uphold the subsequent agreement with Mr. Jayden.

Required:

Which of the above-mentioned agreements will be upheld by the court? Explain your answer and list the differences between those TWO deals of Mr. Umuhire and Mrs Kamana and of Mrs Kamana with Mr. Jayden (10 Marks)

b) Agency is a relationship between two parties created by agreement express or implied. The relationship of agency arises wherever one person called the agent has authority to act on behalf of another called the principal. The concept of agency emphasizes that one person brings two other persons into a legal relationship. It is this power of creation of a relationship between the principal and the third parties that the essential importance of agency lies.

Required:

Discuss the essentials of the agency (10 Marks)
(Total: 20 Marks)

QUESTION THREE

a) Two foreign companies carrying out business in Rwanda have agreed to engage in business and decided to comply with the Rwandan laws in all relationship related matters. As the managers are not familiar with the Rwandan legal system and different sources of law, have jointly hired a lawyer who may brief them on types of sources of law and their importance in practice. A Lawyer has introduced the legal system of Rwanda and emphasized that there are types of formal sources of Law namely primary sources of law and secondary sources of law.

Required:

As a candidate of introduction to law, **discuss the secondary sources of law** (6 Marks)

b) One of the rights a person can enjoy over a property is a to enjoy an immoveable belonging to another person and to dispose of all buildings, wooded areas, trees and other types of plants joined to land.

Required:

As a candidate of introduction to law, **mention the right discussed in definition provided above and explain other THREE rights related to it.** (4 Marks)

c) An advocate registered by Rwanda Bar Association went to Kenya to practice law based on EAC framework that promotes free movement of people and services including legal services but the Law Society of Kenya refused to authorize him on the basis of the fact that Rwanda and Kenya are from different legal systems.

Required:

Despite knowing whether Kenya was right or not to deny authorizing a Rwandan to practice law in Kenya, **explain your position on the traditional legal systems of both countries.** (4 Marks)

d) The Ministry was assigned to draft a Ministerial Order establishing an institution responsible for implementing its policies and strategic decisions to be approved by the Cabinet. The Order specified that the institution would be headed by a Director General and staffed with fifty (50) employees organized into four (4) departments. The institution was tasked with implementing directives issued by the Ministry or other authorized bodies, and it was also granted the authority to issue certain regulations. The institution was initially allocated an office in Kigali City, with the option to relocate to other provinces if deemed necessary.

Required:

As a candidate of introduction to law, **mention the means of administration provided in this Order of the Minister above.** (3 Marks)

e) An insurance company before engaging in any insurance product, analyses risks that can impact the ability to pay when the insured event occurs. To know those risks helps to manage and ensure organizing them to address each risk effectively.

Required:

Discuss at least THREE main categories of the risks for insurers that impact their ability to pay. (3 Marks)

(Total: 20 Marks)

QUESTION FOUR

a) BCDE Ltd, a foreign company limited by shares, has entered into a construction contract with Umuringa Investment Group PLC to build a commercial complex in the City of Kigali, valued at three billion francs (FRW 3,000,000,000), over a period of one year. They have agreed that any dispute arising from the contract will first be subject to an amicable settlement; if that fails, the dispute will be resolved through ad hoc arbitration.

Required:

As a student of introduction to law and an expert on arbitration, draft an arbitration clause and make sure that all important information is included in the contract. (7 Marks)

b) A married couple agreed to divorce and signed a divorce contract before a private notary, which will be confirmed by the court after one year of separation. When they began discussing how to divide their family properties, the wife proposed that she should retain ownership of the house they currently live in, located in Kicukiro District, while the husband would take the house located in Kimihurura.

However, the husband, claiming to be the head of the family, insisted that he should remain in the Kicukiro house and that the wife should take the Kimihurura house. A dispute arose between the spouses, escalating into a physical altercation, as the husband felt it was disrespectful for the house he had lived in to be handed over to his wife. In anger, the wife picked up an empty glass and struck the husband, injuring his head.

Neighbours arrived to see what was happening, and one of them proposed resolving the issue through arbitration to handle the legal matters privately, emphasizing that arbitration would keep the dispute confidential.

Required:

Analyse and list the legal issues that are in the case study above and explain your position. (6 Marks)

c) Havens Plc, a multinational company, has agreed to a contract with the Rwanda Transport Development Agency (RTDA) for the construction of a one hundred kilometers (100 km) road at a cost of fifty million United States dollars (USD 50,000,000). One important clause to be

discussed before signing the contract is the dispute resolution mechanism, specifically whether to choose litigation or arbitration

Required:

Havens Plc, a multinational company unfamiliar with the two legal terms for resolving disputes, approaches you for advice on which dispute resolution mechanism it should propose in a contract. **Advise the company by elaborating SIX advantages of your recommended option.** (7 Marks)

(Total: 20 Marks)

QUESTION FIVE

a) Patrimony is composed of the present properties (rights) and the future ones, where it comes from the principle “All the property of a debtor, present and future constitutes the common pledge of his creditors...”. The patrimony encompassing all properties of a person forms a set, a coherent set. This shows an important link between the patrimony and a person.

Required:

Discuss the principles attached to property and the link between patrimony and a person (4 Marks)

b) Mr. Muhire Peter, a 17-year-old, is a special agent of the manufacturing company MMN Ltd (principal) related to the sale of mattresses. In his work, one customer came complaining to the principal that due to the carelessness of the agent, he got a loss of the mattress bought from Mr. Muhire and requested the principal to repair the damage caused. The principal has responded to the customer that as far as the loss was caused by the agent who exceeded the scope of the authority, he should sue the agent himself.

Required:

The customer who is contemplating to file a case in court comes to you as a student of introduction to Law, **analyse the case and provide to him a legal advice.** (3 Marks)

c) Icyzere Ltd, a company limited by shares had a dispute arising from a contractual agreement with Hannock PLC, a manufacturer and multinational company based in China, a well-known supplier of goods. Icyzere Ltd, a retail company, entered into a contract with Hannock PLC for the provision of tiles over 90 days period. The contract was formally executed on February 05th, 2025, with delivery terms outlined in detail, including deadlines and penalty clauses for non-compliance.

As per the agreement, Hannock PLC was to supply Icyzere Ltd with three (3) shipments commencing from April 20, 2025. However, complications arose when Hannock PLC failed to deliver the second shipment, which was due on May 15, 2025. This failure occurred under circumstances that Hannock PLC claimed were due to unforeseen supply chain disruptions. Such disruptions included delays in sourcing raw materials and logistical shipments exacerbated by external factors, including a global shortage of shipping containers.

Icyizere Ltd contended that the breach substantially undermined their business operations, leading to lost revenue and reputational damage. Upon notification of the late delivery, Hannock PLC attempted to communicate with Icyizere Ltd, seeking reassurances regarding the rescheduling of future shipments.

By June 2025, Icyizere Ltd formally notified Hannock PLC of the breach and expressed intent to pursue legal recourse, claiming damages amounting to the estimated losses incurred due to the delay. The parties exchanged several communications, yet negotiations to resolve the matter amicably did not yield satisfactory results.

Required:

i) Analyse the case study above and explain the different possible remedies for this case.

(10 Marks)

ii) Assume that the case study above was filed in court for a decision and we know that when disputes arise, the courts are required to interpret contracts, just as they are required to interpret the law when difficulties arise in its application. Contracts, like legislation are not always crystal clear. Discuss different ways used by courts in interpreting contracts when disputes arise.

(3 Marks)

(Total: 20 Marks)

QUESTION SIX

a) A tenant had enjoyed a good rental relationship with his landlord for a period of ten years. They had agreed that rent payments would be made through a bank account. During those ten years, the landlord never increased the rent, and he responded positively to any issues raised by the tenant, ensuring the tenant could fully enjoy his rights.

One day, due to the negligence of one of the landlord's domestic workers, a stone was thrown and struck the tenant, breaking his right leg. After a long period of treatment, which costed him three million francs (FRW 3,000,000), the tenant lost his job because of his prolonged absence from work. Subsequently, the landlord terminated the rental contract after the tenant failed to pay rent for five months.

The tenant is now considering suing the landlord for compensation for all the damages caused.

Required:

Analyse the case study above and advise him

(5 Marks)

b) Mr. Muhire agreed and signed a contract of sale of his house located in the City of Kigali, Gasabo District, Kimihurura Sector, to his uncle for one hundred million francs (FRW100,000,000). One year after the transfer of the house, Mr. Muhire was declared mentally incapable and diagnosed with a rare disease. However, after treatment, a competent doctor confirmed that he had recovered. After his recovery, Mr. Muhire learned that the value of the house had unexpectedly increased, and he is now attempting to cancel the contract.

Required:

Analyse the case study above and advise him

(6 Marks)

c) Mrs. Nyirakanyana Jeanne signed a contract for the sale of a house worth fifteen million francs (FRW 15,000,000) with Mrs. Umwari Paula and agreed that the property transfer would take place five (5) days after the payment of the contract price. The house is located in Gasabo District, Kimironko Sector and Bibare Cell. After making the payment, Mrs. Umwari Paula left the country and all her contacts became unreachable. Mrs. Nyirakanyana has decided to file a case in court to request an order for the transfer of the property, given that the seller is not available to facilitate the deal.

Required:

As a candidate of Introduction to Law, Advise Mrs Nyirakanyana Jeanne the competent court to hear her case and list other FOUR (4) situations of the competent court cited above in civil matters at the first instance.

(4 Marks)

d) A Lecturer entered in class of candidates of Introduction to Law exam at ICPAR and started introducing the class, on the meaning of law, and he stated the following: “A law is a set of rules of conduct prescribed by a controlling authority and which has a binding force. In principle, the law is compulsory. However, the intensity of the compulsiveness differs depending on the prohibitive rule or suppletive rule. It must be observed even by the persons who did not vote for it. The legal rule is a norm whose obligatory force is guaranteed by the actual intervention of the sanctions from the public authority. Individual consideration is not taken into consideration and once the persons are individually considered, the law is applicable to this group in an abstract way. It deals with the economic, cultural and social development of the members of the society”.

Required:

As a candidate of introduction to law, mention the characters of law stated in the statement of the Lecturer.

(4 Marks)

(Total: 20 Marks)

QUESTION SEVEN

a) In a class of students of introduction to law, a discussion was held to know really the sources of Law. One student tried to inform his colleagues about the source of law; it provides for the origin of the legal provision. Another student emphasized that there are various sources of law especially when the right is not always in phase with society; there can sometimes be a rather long time between the evolution of manners and the evolution of the laws. The third one, complemented by saying that there are sources of law that are important in our society and more often it becomes the starting point of the economy with the example of tax or revenue duty. The last student emphasized that some sources of law are based on beliefs of a given community and they inspire the legal provisions, but they are not themselves legal provisions.

Required:

Analyse the contributions of the students and mention the sources of law as highlighted.

(5 Marks)

b) Article 153 of the Rwanda Constitution of 2003 as revised in 2023 provides the Ordinary courts. The Law n° 30/2018 02/06/2028 determining the jurisdiction of courts provides also the organisation of courts.

Required:

As a student of introduction to law, **list the ordinary courts from the highest to the lowest.**

(5 Marks)

c) In 2024, a dispute arose in Kigali, Rwanda, involving a contract for the sale of a piece of land. The seller was listed in the contract as Mr. Kamanzi, and he presented an identity card bearing that name. The buyer, Ms. Kawera, paid the full amount and received a signed contract.

However, when she attempted to register the land, she discovered that the property belonged to a deceased person and that the man who sold her the land had been impersonating someone else.

Required:

Who is the legal person in the contract? explain how to identify a person in Law.

(4 Marks)

d) Uwimana is a businesswoman in Kigali who owns a car dealership. She is planning to travel to Kenya for a business trip and will be away for one month. Before leaving, she asks her nephew, Owen, who has some knowledge of selling cars, to manage the dealership during her absence and sale any cars that need to be sold. She authorized him to sign on her behalf if needed.

Owen begins managing the dealership. One day, a customer named Mary walks in and shows interest in a luxury Toyota Landcruiser worth fifty Million Rwandan Francs (FRW 50,000,000). Owen negotiates and finalizes the sale, signing the sale agreement as “Owen, on behalf of Uwimana”. He collects the payment, issues a receipt in Uwimana’s name, and deposits the money into Uwimana’s business account.

When Uwimana returns, she is furious because she had planned to keep the luxury Toyota Landcruiser for a high-profile client. She insists that Owen had no authority to sell that specific vehicle and refuses to transfer ownership to Mary. Mary sues Uwimana, claiming the sale was valid and binding.

Required:

Identify and explain the type of agency relationship that was created between Uwimana and Owen and discuss whether Uwimana is legally bound by the contract with Mary. Support your answer with legal principles.

(5 Marks)

(Total: 20 Marks)

End of question paper

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