



FACULTY OF BUSINESS SCIENCES AND MANAGEMENT

DEPARTMENT OF ACCOUNTING

BACHELOR OF COMMERCE HONOURS DEGREE IN ACCOUNTING

PART 1 SEMESTER 1 EXAMINATION

COMMERCIAL LAW 1 [BAC 1104]

JUNE 2025

DURATION: 3 HOURS

INSTRUCTIONS

1. Answer all questions under **SECTION A** and any **THREE** questions of your choice from **SECTION B**.
2. Each question under **SECTION B** carries 20 marks.
3. Begin each question on a new page.

INFORMATION

1. Marks per question are as indicated.
2. Questions may be attempted in any order.

SECTION A [40 marks]

MULTIPLE CHOICE [30 MARKS]

For each of the following questions, just write the Letter that corresponds to the answer you consider to be correct. Each question carries 2 marks

1.1. Which court is reserved for only constitutional matters in Zimbabwe?

- A. Magistrates Court
- B. High Court
- C. Labour Court
- D. Constitutional Court

1.2. What is meant by binding decisions of superior courts on lower courts?

- A. The lower court in the hierarchy is free to disregard the legal position set by superior courts.
- B. Lower courts in the structure of courts are required to respect and apply the legal position as established and declared by superior courts to similar circumstances.
- C. Both lower courts and superior courts cannot guide or influence decisions by either court.
- D. All of the above.

1.3. What is classical definition of law?

- A. Appeasing the public majority.
- B. It refers to rules and regulations that govern human conduct and are enforceable by the state.
- C. Principles that regulate social activities and enforceable by the church.
- D. None of the above.

1.4. What is a legal system of Zimbabwe?

- A. Encompass parliament responsible to make law and institutions involved in both making and enforcing the law.
- B. Justice and fairness.
- C. The Court Martial.
- D. All of the above.

1.5. Which circumstance may terminate an offer?

- A. Proposing a counter offer to the offeror.
- B. Through an option.
- C. Acceptance of the proposed contract unreservedly.
- D. All of the above

1.6. What is a void contract?

- A. It is an invalid contract and is therefore of no force or effect from the start.

- B. It is a contract concluded by using undue influence and misrepresentation.
- C. A contract only terminated where the parties to it have agreed to its termination.
- D. None of the above.

1.7. What is meant by novation of a contract?

- A. Breach of contract by either party to it.
- B. Specific performance of the contract.
- C. Where the same parties to an earlier contract agree to replace it with new one.
- D. All of the above

1.8. What is a fiduciary duty?

- A. To avoid conflict of interest with that of the principal and avoid secret profit.
- B. To permit the agent to act in conflict of interest of the principal.
- C. To allow the agent to make and conceal secret profits from the principal.
- D. None of the above

1.9. Which one is the right of an agent?

- A. Right to be compensated for service work done on behalf of the principal.
- B. Right to unfairly compete with the principal's business.
- C. Right to conceal business from the principal.
- D. All of the above

1.10. What is agency by estoppel?

- A. Special power of attorney.
- B. Agency by ratification.
- C. Agency through *negotiorum gestor*
- D Estoppel

1.11. Which type of agency include a general power of attorney?

- A. *Negotiorum gestio*
- B. Ostensible authority.
- C. Agency through ratification.
- D. Agency by agreement

1.12. Which statement accurately speaks to a partnership?

- A. Partnership membership is constituted by over fifty people.
- B. It must be registered with the Registrar of Companies before it becomes valid.
- C. It's an association of two or more people but must not exceed twenty people.
- D. All of the above

1.13. What is the primary goal of a partnership?

- A. To jointly start a business to make and share profit between the partnership.
- B. To make a loss.
- C. To incur separate legal liability from the partners.
- D. All of the above

1.14. How may a partnership be dissolved?

- A. Making too much profit.
- B. Fulfilment of the partnership's purpose and then agreement by partners to dissolution.
- C. Maintaining the partnership.
- D. All of the above

1.15. What is the right in a partnership?

- A. To participate in the looting of partnership resources.
- B. To participate in the joint administration and management of the partnership.
- C. To joint and several liability in the partnership.
- D. None of the above.

Question 2. [10 marks]

Differentiate between positivist and naturalist theories of law. **(10 marks)**

SECTION B

Question 3. [20 marks]

(a) Explain the composition and jurisdiction of two superior courts in Zimbabwe. **(10 marks)**

(b) Distinguish between *ratio decidendi* and *obiter dictum*. **(10 marks)**

Question 4. [20 marks]

(a) Discuss the three critical elements of the fiduciary duty. **(12 marks)**

(b) Differentiate between ostensible authority and agency by ratification. **(8 marks)**

Question 5. [20 marks]

(a) Distinguish between an offer and an option in contract law. **(10 marks)**

(b) State and explain three remedies for breach of contract. **(10 marks)**

Question 6. [20 marks]

(a) Explain the essential elements of a partnership business. **(10 marks)**

(b) Discuss the *naturalia* of a partnership. **(10 marks)**

Question 7. [20 marks]

(a) State and explain any five grounds for the dissolution of partnership. **(10 marks)**

(b) Discuss capacity under the terms of a contract. **(10 marks)**

END OF EXAMINATION PAPER