

**BOTSWANA COLLEGE OF DISTANCE AND OPEN LEARNING**

**In collaboration with**

**ZIMBABWE OPEN UNIVERSITY**

**Bachelor of Commerce**

**(Human Resources Management & Industrial Relations)**

**Business Law**

**BL 212**

Sessional Examination

**Marks: 100**

**Time: 3 hours**

---

**Instructions**

1. The examination consists of **Four** sections: A, B, C and D.
2. Begin each answer to a new question on a new page.
3. Answer questions according to instructions given in each section.
4. Write answers in the answer booklet provided.
5. Write in grammatical English.

SECTION A- MULTIPLE CHOICE QUESTIONS

[10 MARKS]

Answer all questions. Each question carries ONE (1) mark.

Choose the best alternative answer.

1. The Common law of Botswana is \_\_\_\_\_.
  - A. Roman law.
  - B. Roman-Dutch law.
  - C. English law.
  - D. Constitutional law.
  
2. The following are costs of credit except \_\_\_\_\_.
  - A. Interest.
  - B. Finance charges.
  - C. Repayment of tax.
  - D. Closing charges.
  
3. One of the duties of a partner is to \_\_\_\_\_.
  - A. Inspect books of account.
  - B. Get expenses incurred by that partner reimbursed.
  - C. Receive an interest for loan given to the partnership by a partner.
  - D. Maintain books of account.
  
4. Mr. Moses runs a transport business alone. He is a \_\_\_\_\_.
  - A. Sole Trader.
  - B. Close corporation.
  - C. Business Trust.
  - D. Company.

5. A contract is discharged due to all the following, except an/a \_\_\_\_\_.
- A. Agreement.
  - B. Good performance.
  - C. Frustration.
  - D. Counter offer.
6. The following are essential elements of a contract except the \_\_\_\_\_.
- A. Offer.
  - B. Acceptance.
  - C. Invitation to offer.
  - D. Consideration.
7. The terms and conditions of an employment contract are \_\_\_\_\_.
- A. Always expressed.
  - B. Partly implied by statutes.
  - C. Partly implied by common law.
  - D. Partly implied by statutes and common law.
8. Which of the following is not an example of a negotiable instrument?
- A. Bill of exchange.
  - B. Cheques.
  - C. Share certificates.
  - D. Promissory notes.
9. The followings are three substantive requirements of a lease agreement except \_\_\_\_\_.
- A. There must be certainty of duration.
  - B. The lessee must be granted exclusive possession of the premises.
  - C. The lease is granted in consideration of the payment of rent.
  - D. The lessor must be the owner of the property.



10. Basically a partner in a partnership has \_\_\_\_\_.

- A. Unlimited liability.
- B. Limited liability.
- C. Continuity.
- D. Superior rights.

**SECTION B- TRUE OR FALSE**

**[10 MARKS]**

Answer all questions. Each question carries ONE (1) mark.

State whether each of the following statements is TRUE or FALSE.

1. The common law of Botswana, the Roman-Dutch Law is influenced by the English Law.
2. Credit cards and debit cards are two sources of credit.
3. In a limited partnership, there should be at least one of the partners whose liability is unlimited.
4. Fixed payment is a characteristic of an instalment loan.
5. Every contract of sale of goods is a contract.
6. Garnishment is a warning sign of credit abuse.
7. Every contract is a contract of sale of goods.
8. Judgment lien is a judgment pronounced by the court in favour of the debtor.
9. If a party in a contract of insurance receives compensation more than the actual loss, there is a breach of doctrine of insurable interest.
10. Every partner is an agent of other partners for contracts entered into in the ordinary course of business.



**SECTION C- SHORT ANSWER QUESTIONS**

**[30 MARKS]**

**Answer all questions in this section.**

1. Identify and briefly explain the content of a partnership agreement. **(10 marks)**
2. Outline three conditions under which individuals are considered as not having capacity to consent to a contract. **(6 marks)**
3. Briefly explain the four forms of constructive delivery. **(8 marks)**
4. Briefly explain the term 'Agency amongst partners'. **(6 marks)**

**SECTION D- ESSAY TYPE QUESTIONS**

**[50 MARKS]**

Answer any TWO questions in this section.

**QUESTION 1**

**[25 MARKS]**

Thembi's black cat goes missing and she places an advertisement in the local newspaper offering a reward of P700.00 to anyone providing her with information about her missing cat. Kgosi, Thembi's neighbour, hears from Thembi's son that the cat is missing. One day while driving home from work, Kgosi sees the missing cat near the supermarket and picks it up. When he returns Thembi's cat to her she is delighted but says nothing about the reward. The next day Kgosi reads the advertisement in the newspaper and he then makes inquiries about the reward. Thembi now refuses to pay the reward saying that she has changed her mind about paying the reward.

**Required:**

- a. Explain whether Kgosi and Thembi were under contract **(15 marks)**
- b. Outline the arguments that Thembi might assert against having to pay the reward.

**(10 marks)**

**QUESTION 2**

**[25 MARKS]**

Merchants Dreams Pty (Ltd) entered into a written contract on 17/02/2016 with Fire Assembly Tech Co. for the purchase and installation of fire hazard equipment including fire extinguishers, smoke detectors etc. The contract set forth a delivery date of 01/09/2016, as insisted by Merchants Co. According to the Managing Director the current equipment was not going to last past that date. On 01/08/2016, the equipment died and was not useable. The company decided that since it was only a month till delivery of the new equipment that they would wait instead of finding a solution in the interim. On 15/08/2016 Fire Assembly Tech Co. notified Merchants Co. that the truck would not be ready for delivery until 01/10/2016. Merchants Co. decided again to wait for the delivery and not find a temporary solution so they would be protected in case of fire. Merchants Co. did however notify Fire Assembly Tech that their equipment was not functional



and that they desperately needed the new equipment by 01/09/2016. On 15/09/2016 a major fire damaged Merchants Co. The fire started in the warehouse and could have been easily controlled had there been functional fire hazard equipment in place. The damage to the property was estimated to be approximately P670,000.

**Required:**

Discuss who is liable for the damages caused by the fire. **(25 marks)**

**QUESTION 3** **[25 MARKS]**

In relation to the Botswana legal system, explain any five main sources of law. **(25 marks)**

**END OF EXAMINATION**