

WOMEN'S UNIVERSITY IN AFRICA



Addressing gender disparity and fostering equity in University Education

FACULTY OF MANAGEMENT AND ENTREPRENEURIAL SCIENCES

**BSc HONOURS DEGREE IN MANAGEMENT AND ENTREPRENEURIAL
DEVELOPMENT STUDIES SPECIALISING IN MANAGEMENT & MARKETING**

**BSc HONOURS DEGREE IN MANAGEMENT AND ENTREPRENEURIAL
DEVELOPMENT STUDIES SPECIALISING IN BANKING & FINANCE**

BACHELOR OF ACCOUNTING SCIENCE HONOURS DEGREE

BSc HONOURS DEGREE IN HUMAN RESOURCE MANAGEMENT

BSc HONOURS DEGREE IN PURCHASING & SUPPLY CHAIN MANAGEMENT

MAIN PAPER

BM126:

BUSINESS LAW

INTAKE 27 & 12:

FIRST YEAR FIRST SEMESTER

DATE:

TIME: 2 HOURS

INSTRUCTIONS TO CANDIDATES

Answer **Question 1** and any other **two**

Use relevant case law to support your answers.

Question 1

ABC Insurance Co (ABC) distribute pamphlets to a number of brokers advertising ‘a 10 – year endowment policy plus cover’. The company indicates to the brokers that the policy is intended for clients who are actively engaged in their usual occupations and fit enough to lead normal lives. The brochure states as follows: ‘Free life cover... available free of medical evidence... No medical questions whatsoever’. Daniel’s broker informs him about ABC’s offer and he completes the required proposal form. The form does not call for any medical details and Daniel does not disclose to ABC that he is suffering from hypertension and has recently received treatment for an ulcer and for skin cancer. ABC subsequently refuses to pay out on the policy on the grounds that Daniel failed to disclose his medical condition.

Required: Is it entitled to adopt this stance? Explain your Answer using relevant case laws.

[25]

Question 2

a) Discuss the principle laid down in *Salomon v Salomon and Co Ltd* [1897] AC 22 that a company is a legal persona in its own right and the manner in which the principle was applied in that case. [15]

b) Explain the concept of cooperate veil and judicial approaches to the concept. [10]

Question 3

Your client comes to consult with you. He has recently bought and taken transfer of a house. Unknown to him there is a tenant in the house. The tenant claims that he has a 3 year verbal lease for the house which began 6 months before transfer. The seller of the house confirms that the tenant is correct.

Required: Advise your client on the law relating to the tenant’s rights. You are required to refer to relevant case in the course of your answer. Would your advice be any different if the tenant claimed that his lease was for 15 years? If so, explain the difference. [25]

Question 4

The duties owed by agents to their principals are to be found in the express terms of their contract. Critically evaluate this statement and highlight your answer using relevant case law.

[25]

Question 5

Explain the concept of fiduciary duty, and its scope or duration, as applied to partnership law. Use relevant case Law. [25]

Question 6

Using relevant case law discuss ways in which the legal employment status of the self-employed individual differs from that of the employee. [25]

END