

EXAMINATION NO. _____



2016 EXAMINATIONS

ACCOUNTING TECHNICIAN PROGRAMME

PAPER TC 8: BUSINESS LAW

WEDNESDAY 8 JUNE 2016

TIME ALLOWED: 3 HOURS
9:00 AM - 12:00 NOON

INSTRUCTIONS

1. You are allowed **15 minutes** reading time **before the examination begins** during which you should read the question paper and, if you wish, make annotations on the question paper. However, you will **not** be allowed, **under any circumstances**, to open the answer book and start writing or use your calculator during this reading time.
2. Number of questions on paper - 7.
3. The paper is divided into Sections **A** and **B**.
4. **FIVE** questions **ONLY** to be answered; at least **TWO** questions from each section.
5. Each question carries 20 marks.
6. Your answers must be supported, where appropriate, by relevant decided cases and statutory provisions.
7. Begin each answer on a fresh page.
8. **DO NOT OPEN THIS PAPER UNTIL YOU ARE INSTRUCTED BY THE INVIGILATOR**

This question paper contains 4 pages

This question paper must **not** be removed from the examination hall.

SECTION A

1. (a) (i) Define the term 'Bill of Exchange'. **5 Marks**
- (ii) Outline the main characteristics of a Bill of Exchange. **5 Marks**
- (b) Comment on the following types of Bills of Exchange:
- (i) Accommodation Bill. **2 Marks**
- (ii) An Inland Bill and a Foreign Bill. **2 Marks**
- (c) Maggie signed a cheque without any crossings. She instructed her accounts assistant to fill in a sum of K100,000 on the cheque and fill in Osman's name as payee. The assistant owed a personal debt to Paul in the sum of K200,000 and so filled in the sum of K200,000 and made the cheque payable to Paul. Paul cashed the said sum of K200,000 at Maggie's Bank.

Required:

Advise Maggie on the liability of the parties, if any.

6 Marks
(TOTAL 20 MARKS)

2. In relation to the law on sale of goods and the Sale of Goods Act:

Required:

- (a) Identify and comment on any **four** types of goods. **8 Marks**
- (b) Distinguish a sale from an agreement to sale. **4 Marks**
- (c) Explain how the price of goods may be fixed. **4 Marks**
- (d) Explain the measure of 'damages.' **4 Marks**

(TOTAL 20 MARKS)

3. (a) Identify and comment on any **five** sources of Employment Law in Malawi. **10 Marks**
- (b) Comment on the following forms of disciplinary action that an employer is entitled to, against an employee, under the Employment Act:
- (i) Written warning **2 Marks**
- (ii) Demotion **3 Marks**
- (iii) Suspension. **5 Marks**

(TOTAL 20 MARKS)

4. (a) What is a legal system? **3 Marks**
- (b) Mention **three** types of received law in Malawi. **3 Marks**
- (c) How does the system of judicial precedent work in the Malawian legal system?
6 Marks
- (d) Discuss any **three** rules of Statutory Interpretation? **6 Marks**
- (e) What do you understand by the following maxim of statutory interpretation:
expressio unius est exclusio alterius? **2 Marks**
- (TOTAL 20 MARKS)**

NOT FOR SALE

SECTION B

5. (a) In relation to the law of tort, explain the following terms:
- (i) Strict liability **5 Marks**
 - (ii) Vicarious liability **5 Marks**
 - (iii) Contributory negligence **5 Marks**
- (b) Explain the importance of Bankers Commercial Credits. **5 Marks**
(TOTAL 20 MARKS)
6. (a) (i) Define the term “Hire Purchase Agreement” as stipulated in the Hire Purchase Act. **4 Marks**
- (ii) State the condition implied in a hire purchase agreement. **2 Marks**
- (iii) State the **two** warranties implied in a hire purchase agreement. **4 Marks**
- (b) Mary has recently found a good source of making money in an agency relationship. She has been retained by Jones to sell some shirts and she has found a lot of good customers. Sometimes, however, Jones displays a very bad temper and he often threatens Mary that he, Jones, can terminate the agency without giving Mary any commission.
- Required:**
- (i) Discuss Mary’s right to a lien over Jones’ shirts which were the subject matter of the agency. **4 Marks**
- (ii) When is Mary deemed to have apparent authority? **4 Marks**
- (iii) Mention **two** rights of Mary in the agency relationship **2 Marks**
(TOTAL : 20 MARKS)
7. Describe the following:
- (a) Contracts in restraint of trade **5 Marks**
 - (b) Misrepresentation **5 Marks**
 - (c) Discharge of contract **5 Marks**
 - (d) Constructive dismissal **5 Marks**
- (TOTAL 20 MARKS)**

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