higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

N1160**(E)**(N28)H

NATIONAL CERTIFICATE

MERCANTILE LAW N4

(13030094)

28 November 2018 (X-Paper)
09:00–12:00

This question paper consists of 6 pages.

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DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE
MERCANTILE LAW N4
TIME: 3 HOURS
MARKS: 200

NOTE: If you answer more than the required number of questions, only the required number will be marked. Clearly cross out ALL work you do NOT want to be marked.

INSTRUCTIONS AND INFORMATION

1. ALL the questions in SECTION A are COMPULSORY.
2. Answer any THREE of the four questions in SECTION B.
3. Read ALL the questions carefully.
4. Number the answers according to the numbering system used in this question paper.
5. Write neatly and legibly.

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SECTION A

ALL the questions in SECTION A are COMPULSORY.

QUESTION 1

1.1 Explain the following terms:

1.1.1 Ratification

1.1.2 Latent defect

1.1.3 Jurisdiction of a court

1.1.4 Credit grantor

1.1.5 Sells something voetstoots

1.1.6 Public law

1.1.7 Contractual capacity

1.1.8 Negotiability of a bill of exchange

1.1.9 Leasing

1.1.10 Contract of sale

(10 × 2) (20)

1.2 Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only 'True' or 'False' next to the question number (1.2.1–1.2.10) in the ANSWER BOOK.

1.2.1 A merger is automatically discharged when the capacity of the debtor and the creditor becomes one.

1.2.2 The Credit Agreement Act number 79 of 1995 was introduced to make provision for certain transactions whereby movable goods can be purchased or leased.

1.2.3 Unenforceable is an unwritten guarantee given in this type of contract.

1.2.4 With delivery with short hand the buyer is already in possession of the article that is being bought.

1.2.5 A lease is only formed by a written contract.

1.2.6 Wagers are agreements which are not illegal or immoral and are based on luck and taking a chance.

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1.2.7 The new owner must wait until the lease has expired or until the tenant gives notice (voluntarily) to move out/vacate the property.

1.2.8 An independent contractor works under supervision or direct instruction and control of an employer.

1.2.9 A cession is where the tenant transfers only his/her rights but not his/her duties to a third person.

1.2.10 A legal obligation means that the person who obtains such a duty has to behave in a certain way/do that which is agreed upon.

(10 × 2) (20)

1.3 Choose a word or term from COLUMN B that matches a description in COLUMN A. Write only the letter (A–F) next to the question number (1.3.1–1.3.5) in the ANSWER BOOK.

COLUMN A		COLUMN B	
1.3.1	Regulate a person's status regarding origin, birth and death	A	ambiguous clauses
		B	law of individuality
1.3.2	Concerns structure and powers and functions of all state departments	C	law of persons
1.3.3	It is widely accepted that it is addressed to the public at large unless directed to a specific person	D	advertisement
		E	administrative law
1.3.4	These are brought into harmony with the whole document or contract	F	rewards
1.3.5	Deals with good name, integrity and honour of individuals		

(5 × 2) (10)

[50]

TOTAL SECTION A: 50

SECTION B

Answer any THREE of the four questions in SECTION B.

QUESTION 2

2.1	Name ONE subdivision of public law.		(1)
2.2	State FIVE cases where the seller is not liable for latent defects.	(5 × 2)	(10)
2.3	Name FIVE provisions for payment as stated in Article 3.		(5)
2.4	Name and explain SIX requirements for a valid offer.	(6 × 2)	(12)
2.5	Name SIX duties of a landlord.		(6)
2.6	State EIGHT instances where a contract of lease can come to an end.	(8 × 2)	(16)
			[50]

QUESTION 3

3.1	State THREE parties involved in civil cases.	(3 × 2)	(6)
3.2	Name TWO parties involved in promissory notes.		(2)
3.3	State FOUR limitations of a credit agreement act as stated in Articles 9, 10 and 11.	(4 × 2)	(8)
3.4	State THREE rights of a landlord.	(3 × 2)	(6)
3.5	A contract can be terminated in various ways.		
	Name and discuss NINE different ways to end a contract.	(9 × 2)	(18)
3.6	State FIVE types of crossings on cheques.	(5 × 2)	(10)
			[50]

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QUESTION 4

4.1	State THREE instances where a seller will not be liable for the eviction of the buyer.	(3 × 2)	(6)
4.2	State THREE things that may under no circumstances be sold.	(3 × 2)	(6)
4.3	Briefly discuss instalment sales transactions.		(4)
4.4	State FOUR reasonable mistakes.	(4 × 2)	(8)
4.5	Differentiate between *material* and *nonmaterial* with regard to wrongdoing.	(2 × 4)	(8)
4.6	State NINE situations where an employer can dismiss an employee from work without notice.	(9 × 2)	(18)
			[50]

QUESTION 5

5.1	Name TWO types of constructive delivery.	(2 × 1)	(2)
5.2	Name THREE situations where a contract will be voidable.	(3 × 2)	(6)
5.3	Name SEVEN requirements for a valid acceptance.	(7 × 2)	(14)
5.4	State FOUR subsections of implied warranties.	(4 × 2)	(8)
5.5	State THREE essentials that make a lease agreement different from other contracts.	(3 × 2)	(6)
5.6	State FIVE circumstances where the credit receiver can terminate a credit agreement according to Article 13 regarding the 'cooling-off period'.	(5 × 2)	(10)
5.7	Differentiate between *sick leave* and *normal leave.*	(2 × 2)	(4)
			[50]

TOTAL SECTION B: 150
GRAND TOTAL: 200

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