



**COLLEGE OF BUSINESSES AND ECONOMICS
JOHANNESBURG BUSINESS SCHOOL
DEPARTMENT OF BUSINESS MANAGEMENT**

FINAL SUMMATIVE ASSESSMENT

SUBJECT: Mercantile Law 1B
CODE: ADBL01B
DATE: 13 November 2019
TIME ALLOWED: 120 Minutes
TOTAL MARKS: 100

LECTURER: Mr DL le Roux
MODERATOR: Ms S van Zyl
NUMBER OF PAGES: 6

INSTRUCTIONS:

1. This is a closed-book assessment.
2. Question papers must be handed in together with your answer books.
3. Read the questions carefully and answer only what is asked.
4. Answer all the questions:
5. Number your answers clearly.
6. Write neatly and legibly on both sides of the paper in the answer book, starting on the first page.
7. Structure your answers by using appropriate headings and subheadings.
8. The general University of Johannesburg policies, procedures and rules pertaining to written assessments apply to this assessment.

QUESTION 1**(30)**

- 1.1 The *essentialia* of a Lease Agreement is:
- The nature of the contract, in that no transfer of ownership occurs
 - The nature of the contract, in that transfer of ownership occurs
- 1.2 What are the maximum working hours allowed under section 9 of the Basic Conditions of Employment Act?
- 10 hours weekly
 - 20 hours weekly
 - 45 hours weekly
 - 85 hours weekly
- 1.3 This act cannot be executed by an agent:
- A conveyancer who transfers an immovable property on behalf of a seller
 - An agent who purchase illegal firearms on behalf of his principal
 - An employee acting on behalf of her employer
 - A specific act whereby an agent sells specialised textbooks on behalf of his principal
- 1.4 The *essentialia* of a Purchase Agreement is:
- The nature of the contract, in that no transfer of ownership occurs
 - The nature of the contract, in that transfer of ownership occurs
- 1.5 True or false: a lease of things is a reciprocal agreement
- True
 - False

- 1.6 What are the minimum annual leave days an employee is entitled to under the Basic Conditions of Employment Act?
- 0 working days
 - 5 working days
 - 10 working days
 - 15 working days
- 1.7 True or false: a change in status may terminate an agency agreement
- True
 - False
- 1.8 One of the duties of a Principal, under a normal Principal / Agent Agreement, is:
- To reimburse the agent for all expenses incurred by the agent
 - No to reimburse the agent for all expenses incurred by the agent
- 1.9 What do you understand under the term “*huur gaat voor koop*”
- A lease takes priority over a sale of immovable property
 - A sale of immovable property takes priority over a lease
- 1.10 What do you understand under the term “*subrogation*”?
- When an Insurance Company declines to insure you
 - When an Insurance Company claims damages against a third party after the Insured were compensated for a loss
 - When an Insurance Company re-insure the insurance at Lloyds of London
 - When you double insure your possession

- 1.11 What is the meaning of the “*voetstoots*” clause?
- When you purchase something with a guarantee / warrantee from the seller
 - When you purchase something with no guarantee / warrantee from the seller
- 1.12 Define a ‘supplier’ as defined by the Consumer Protection Act 68/2008
- sells, markets, rents goods in the ordinary course of business for consideration
 - a person to whom goods and services are marketed in the ordinary course of a supplier’s business
 - a person who has entered into a transaction with the supplier in the ordinary course of its business
 - a user of goods or recipient of services (whether such person is a party to the transaction or not)
- 1.13 When does ownership pass with a cash sale?
- Presumed on payment
 - Presumed on delivery
 - Never
 - When the cash is deposited at the bank by the purchaser
- 1.14 When does ownership pass with a credit agreement?
- Never
 - As determined by the credit agreement
 - After delivery
 - When the cash is deposited at the bank by the seller
- 1.15 True or false: Consumers have a right to refuse unwanted direct marketing such as telephone calls, SMSs, spam email or letters. es
- True
 - False

QUESTION 2

What do you understand under the terms option to purchase and right of first refusal? Explain what the differences are between the 2 terms? (6)

QUESTION 3

Name 3 duties of the Employer (6)

QUESTION 4

Name 3 duties of the Employee (6)

QUESTION 5

Name 3 ways a Lease Agreement may be terminated (6)

QUESTION 6

Name 4 rights that consumers have under the Consumer Protection Act 68/2008 and discuss briefly what you understand under each right (12)

QUESTION 7

Name 3 duties of the Lessee? (3)

QUESTION 8

What do you understand under the terms "Agent's Lien" and "Agent's Sett-off" (3)

QUESTION 9

Name 3 duties of an Agent (6)

QUESTION 10

Name the 3 manners how an agency relationship may be terminated (6)

QUESTION 11

Discuss the term “patent defect” (2)

QUESTION 12

Discuss (not longer than two paragraphs) why do you think the Consumer Protection Act 68 of 2008 was introduced to South Africa (4)

QUESTION 13

What is the purpose of Insurance and discuss what you understand under “double insurance” (2)

QUESTION 14

Name 4 duties of the lessor (8)

[100]