

**UNIVERSITY OF SWAZILAND**

**FACULTY OF SOCIAL SCIENCE**

252

**DEPARTMENT OF LAW**

**SUPPLEMENTARY EXAMINATION PAPER, JULY 2012**

**TITLE OF PAPER : MERCANTILE LAW**

**COURSE CODE : L 405**

**TIME ALLOWED : THREE (3) HOURS**

**INSTRUCTIONS :**

- 1. ALL CANDIDATES MUST ANSWER A TOTAL OF FOUR (4) QUESTIONS.**
- 2. IN ANSWERING A QUESTION NOTE THAT THE QUALITY OF THE CONTENT, CLARITY OF EXPRESSION AND LEGIBILITY OF HANDWRITING ARE ABSOLUTELY ESSENTIAL.**

**THIS PAPER IS NOT TO BE OPENED UNTIL PERMISSION HAS BEEN GRANTED BY THE INVIGILATOR.**

### **QUESTION 1**

Signature is a concept of fundamental importance in relation to the law of negotiable instruments.

- (i) Discuss the different and separate functions (or roles) which a signature may perform under the Bills of Exchange Act, 1902. [20]
- (ii) What is the relationship between Authority and Signature? [5]

[TOTAL MARKS: 25]

### **QUESTION 2**

The banker-customer relationship has often been called a contract *sui generis* because of its complexity.

Critically discuss the above statement with reference to decided cases. [TOTAL MARKS: 25]

### **QUESTION 3**

Discuss the legal effects of a sequestration order on an insolvent person. [TOTAL MARKS: 25]

### **QUESTION 4**

Discuss the essential elements of a contract of insurance. [TOTAL MARKS: 25]

### **QUESTION 5**

Briefly explain the following:

- (i) Indorsement in bank [5]
- (ii) Undue preference [10]
- (iii) A bank's right of reversal [10]

[TOTAL MARKS: 25]