

**UNIVERSITY OF SWAZILAND**  
**FACULTY OF SOCIAL SCIENCE**  
**DEPARTMENT OF LAW**  
**SUPPLEMENTARY EXAMINATION, JULY 2018**

**TITLE OF PAPER : PRINCIPLES OF LAW OF CONTRACT I**

**COURSE CODE : LAW 203**

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

**INSTRUCTIONS :**

- 1. ANSWER ANY FOUR (4) QUESTIONS.**
- 2. MARKS ARE INDICATED AT THE END OF EACH QUESTION. CANDIDATES ARE THEREFORE ADVISED TO ALLOCATE THEIR TIME ACCORDINGLY.**

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

### **QUESTION 1**

Thabo has been working as an accounts clerk of UNISWA Enterprises (PTY) Ltd for the last ten years. Ten months ago the company's internal auditor discovered that Thabo had forged the director's signature on a number of cheques and had misappropriated company funds totalling E60 000.00. By virtue of his long association with the company, the Director made him sign an acknowledgement of debt on the understanding that the company would refrain from instituting criminal prosecution against him.

In terms of that agreement Thabo authorised the company to deduct E1000.00 from his salary every month until the E60 000.00 is fully paid.

Thabo is experiencing financial difficulties due to this arrangement and now wishes to repudiate it.

Discuss the legal position. (25 marks)

### **QUESTION 2**

Dube had driven his car 100 000 kilometres but had the speedometer moved back to read 50 000 kilometres. He offered the car to Gule at E10 000.00 "as is". Gule asked "how far has the car gone?" Dube replied, "the car will give you that information". Gule looked at the speedometer and read aloud, "50 000 kilometers". Dube remained silent. The contract was concluded, car delivered and purchase price paid. Three weeks later Gule learned that the car has been driven 100 000 kilometers.

Advise Gule, as to his rights, if any, against Dube. (25 marks)

### **QUESTION 3**

Hleta takes a fancy to a second hand car, in answer to an inquiry by Hleta if the car is mechanically sound and if it was ever involved in an accident, Hlubi, the salesman replies:

"You will get many a year of trouble free driving from this car, all you will have to do is just service it, it is as good as new."

Two weeks after buying the car, it develops several mechanical faults. Hleta is advised by experts that to fix the car will cost more than the price he paid for it. He considers suing Hlubi on the ground of fraud and on the Aedilitian remedies.

Discuss. (25 marks)

#### **QUESTION 4**

Mavuso sold an erf to Khumalo, both parties being under the impression that in terms of the conditions of title, the land could be used only for residential purposes. It subsequently appeared that it could be used as a site for a garage, a fact which made the property more valuable than had been supposed. On discovery of this fact Mavuso refused to transfer the erf to Khumalo contending that the sale was void on account of a common error in substantia.

Khumalo seeks your advise.

(25 marks)

#### **QUESTION 5**

Fakudze wrote to Simelane to sell him his BMX motorbike. The letter of offer Fakudze posted on the 18<sup>th</sup> May and it was received by Simelane on the 24<sup>th</sup> May. Simelane accepted this offer and posted his letter of acceptance on the morning of the 26<sup>th</sup> May. On the same day at 2.00 p.m. Fakudze had changed his mind about selling his bike and posted a letter revoking his offer. This letter got to Simelane on the 30<sup>th</sup> of May.

Discuss. Illustrate your answer with authorities.

(25 marks)

[TOTAL MARKS: 100]