

UNIVERSITY OF ESWATINI

FACULTY OF SOCIAL SCIENCE

DEPARTMENT OF LAW

EXAMINATION PAPER, JULY 2019

(SUPPLEMENTARY)

TITLE OF PAPER : **SECURED TRANSACTIONS
& SECURITIES LAW**

COURSE CODE : **LAW 406**

TIME ALLOWED : **3 HOURS**

MARK ALLOCATION : **100 MARKS**

INSTRUCTIONS : **ANSWER ANY FOUR
QUESTIONS OF YOUR CHOICE**

**THIS EXAMINATION PAPER IS NOT TO BE OPENED UNTIL
PERMISSION HAS BEEN GRANTED BY THE PROCTOR**

Question One

Sputnik found himself so deep in debt that he could pay very little on his own bills. One of his creditors, Wasabi Music Supplies, told him it was about to file an insolvency suit against him due to repeated failure to pay it. At that point, Sputnik filed for a petition for voluntary surrender at the High Court. Since he had filed voluntarily, the voluntary petition was considered the order for relief. At this juncture, the automatic stay provision of the insolvency rules came into effect. Despite this, Wasabi Music Supplies saw this as an attempt to unduly stave of paying his debts and proceeded to file for compulsory sequestration against Sputnik.

Closely referring to relevant authorities, discuss the plausibility of the action by Wasabi Music Supplies.

Total 25 Marks

Question Two

Carefully discuss the process by which natural persons are rendered insolvent, sequestrated and rehabilitated.

Total 25 Marks

Question Three

- i) Discuss in detail the requirements for the existence of a valid lien:
- a) Legal possession
 - b) Uninterrupted possession

10 Marks

- ii) Explain mortgage bonds as security.

15 Marks

Total 25 Marks

Question Four

- a) List ten (10) features of a collusive friendly sequestration. **10 Marks**
- b) Discuss the effect of sequestration on the property of the spouse of the insolvent. **15 Marks**

Question Five

Render a comprehensive discussion on the law personal security.

Total 25 Marks