## UNIVERSITY OF SWAZILAND

## INSTITUTE OF DISTANCE EDUCATION

## COMMERCE

## SUPPLEMENTARY EXAMINATION PAPER, JULY 2009

TITTLE

COMMERCIAL LAW

COURSE CODE :

IDE - AC 202

TIME

THREE HOURS [2HR]

INSTRUCTIONS :

1. THIS PAPER HAS TWO [2] QUESTIONS

2. ALL QUESTIONS ARE COMPULSORY

3. CLEARLY AND CORRECTLY NUMBER EACH

QUESTION

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

Q1

Ms S stays in Lavumisa while Mr T resides in Vuvulane.

Ms S sends an offer to purchase Mr. T's farm in Vuvulane. (farm s103) Stating the proposed price. She sends the offer using Lavumisa Post Office on the 14<sup>th</sup> Aug 08

Mr T receives offer on the 19<sup>th</sup> Aug 08 @ 09:30am Sends back acceptance doc on the 23<sup>rd</sup> Aug 08 @ 11:30am at Vululane post office.

Ms s receives Mr T's doc on the 30th Aug 2008 @ 03:00pm

- a) At what time, date and place was a valid contract concluded? [2]
- b) What theory have the parties used? Why is this the best theory in their given circumstances? Discuss [8]
- c) How would your answer above differ if Mr T had responded by saying "my farm is not for sale at the moment, but should I sell, you will receive the first offer"?

  [5]
- d) Can Ms S get out of the contract with Mr T, if she later on discovers that Mr T actually sold to her a 1hecter farm yet it was advertised and sold to her as a 2hector farm? [10]

[25]

Q2

You are Mr X's legal advisor. Mr X wants to enter into a contract with Y to the value of R1M. You have the following information at your disposal; Mr Y is insolvent, he has recently been sequestrated through compulsory sequestration.

a) What is compulsory sequestration? [2]

- b) Educate your client on the subsequent procedure to issue sequestration [8]
- c) Educate your client on the effect of the sequestration order on the sequestrated. [15]

[25]

**TOTAL MARKS [50]**