INSTRUCTIONS

1. This paper consists of TWENTY (20) pages. Please make sure you have them all.
2. This paper consists of TWO SECTIONS. SECTION A AND B must be answered in separate answer booklets.
3. Answer ALL four questions and all sub-parts.
4. Students are requested, in their own interests, to write legibly.
SECTION A

QUESTION 1 (35 MARKS) (Mr Matola)

Students must answer all questions in this section

MULTIPLE CHOICE QUESTIONS (35 X 1 mark each)

SECTION B

(Mr Chidarara)

(PLEASE ANSWER SECTION B IN A SEPARATE ANSWER BOOKLET)

STUDENTS MUST ANSWER ALL QUESTIONS IN THIS SECTION

Question 1

You are employed by a company which will be lending money to people and expects to lend more than R500,000.00 at any particular time. Your employer asks you for advice on what should be done before they begin to lend money and what their obligations as a credit provider are in terms of the National Credit Act 34 of 2005.

[Total Sec B Q1: 7 marks]

Question 2

Briefly set out what the purposes of indemnity insurance and non-indemnity insurance are. In the course of your answer, you are required to list the principal differences between the two.

[Total Sec B Q2: 8 marks]

Question 3

‘Worker’ is employed as a cook by a fast food restaurant, ‘Busy Mouths’, in Greytown. Busy Mouths has a very popular and famous ‘secret’ recipe for its special burger which is handmade in a totally unique way which keeps all of Greytown’s mouths busy. His employment contract includes a restraint of trade clause which states that if he ever leaves the employ of Busy Mouths restaurant he would not ever be allowed to enter the employ of any other restaurant or hotel in South Africa. Worker has been offered employment by another fast food restaurant, ‘Taste Buds’,
which is going to open up across the road from Busy Mouths. Worker’s employment contract says that he can give one month’s notice to his employer. Worker comes to see you for advice on what to do as the new job offer is very appealing and Worker wants to start immediately. How would you advise Worker? You are required to set out the relevant legal principles and apply the relevant case law to the facts.

[Total Sec B Q3: 10 marks]
Question 4

Your client comes to consult with you. He has recently bought and taken transfer of a house. Unknown to him there is a tenant in the house. The tenant claims that he has a 3 year verbal lease for the house which began 6 months before transfer. The seller of the house confirms that the tenant is correct. Advise your client on the law relating to the tenant’s rights. You are required to refer to relevant case in the course of your answer.

Would your advice be any different if the tenant claimed that his lease was for 15 years? If so, explain the difference.

[Total Sec B Q4: 10 marks]