

Examiner's report

F4 (ZWE) Corporate and Business Law

For Paper Variant exams June 2016

General Comments

The aim behind this report is for candidates to have feedback and an appreciation of the overall performance in the June 2016 F4 (ZWE) examination (Corporate and Business Law).

Section A is made up of 45 compulsory questions with 25 questions being worth 2 marks each and the remaining 20 questions being worth 1 mark each. This section in its entirety is worth 70 marks. Section B consists of 5 multi-task problem-style questions worth 5 marks each, giving a total of 30 marks. All questions were compulsory and the time allowed was 2 hours.

SECTION A

This section was reasonably well answered by the majority of the candidates. However a couple of questions posed a challenge to a significant number of candidates who were unable to satisfactorily answer those few questions. Two questions which candidates found particularly difficult are discussed below:

(1) **Question 35**

Ariko emails Buhle offering to sell a quantity of seed. Buhle replies by email accepting the offer.

At what point is a valid contract formed?

- A When the email leaves Buhle's computer
- B When the email arrives on Ariko's computer
- C When Ariko reads the email

The correct answer was B: when the email arrives on the offeree's computer and not at the time of sending the email. Candidates here needed to be able to apply their general knowledge of offer and acceptance to a specific situation.

(2) **Question 22**

Which of the following is NOT an equitable remedy in the law of contract?

- A Specific performance
- B Interdict
- C Damages

Unlike the previous question, this was pure knowledge. Candidates simply needed to know that specific performance and an interdict are equitable remedies whilst damages are not.

SECTION B

A question relating to directors' duties was generally answered competently

The answers to a question on the declaration of dividends and the payment of interest on debentures were generally more mixed: candidates showed satisfactory knowledge in relation to

the debentures, but answers relating to whether a company could be forced to pay a dividend were generally less adequate.

The question which appeared to cause candidates most difficulty was one on wrongful and fraudulent trading. Here, candidates needed to apply the law to a number of characters in a scenario. Answers to this question were inadequate.