

Fundamentals Level – Skills Module

Corporate and Business Law (Botswana)

Tuesday 2 December 2008

Time allowed

Reading and planning: 15 minutes

Writing: 3 hours

ALL TEN questions are compulsory and MUST be attempted.

Do NOT open this paper until instructed by the supervisor.

During reading and planning time only the question paper may be annotated. You must NOT write in your answer booklet until instructed by the supervisor.

This question paper must not be removed from the examination hall.

The Association of Chartered Certified Accountants

The Botswana Institute of Accountants

ACCA



Paper F4 (BWA)

ALL TEN questions are compulsory and MUST be attempted

- 1 In relation to the Botswana legal system, explain the structure of the Botswana court system and outline the jurisdiction of the various courts.

(10 marks)

- 2 In relation to the law of contract, explain the ways in which a contractual offer can come to an end.

(10 marks)

- 3 In relation to the law of contract, discuss the different ways of discharging a contract.

(10 marks)

- 4 In relation to employment law, discuss the common law duties of an employee under a contract of employment.

(10 marks)

- 5 In relation to partnership law, state the grounds for the dissolution of a partnership.

(10 marks)

- 6 (a) Explain the principles of 'corporate governance'. (4 marks)
(b) Within the context of corporate governance examine the role of, and relationship between executive directors and non-executive directors. (6 marks)

(10 marks)

- 7 In relation to company law, outline the rules that relate to the qualifications, powers and duties of a company secretary.

(10 marks)

- 8 On 2 June 2008, Luzibo wrote to Mowana Ltd applying to buy 7,000 shares in Mowana Ltd. On 5 June Mowana's board of directors met and agreed to allot 7,000 shares to Luzibo. On 6 June at 9.00 am Luzibo phoned Mowana Ltd and informed them that she was no longer interested in buying the shares. On the same day at 10.00 am Mowana Ltd posted a letter informing Luzibo that the company had allotted her the 7,000 shares applied for. Luzibo received this letter on 9 June. Mowana Ltd wishes to sue Luzibo for breach of contract.

Required:

- (a) **Advise Mowana Ltd whether they may sue Luzibo for breach of contract.** (5 marks)
- (b) **State whether your answer would be different:**
- (i) **if Mowana Ltd had posted their letter to Luzibo at 8.00 am on 6 June; and** (3 marks)
- (ii) **if Luzibo had requested the company to enter her name in the register and sign it on her behalf.** (2 marks)

(10 marks)

- 9 Tiroyakgosi is director of Plush Ltd, a company which is engaged in making dresses for the teenage market. The buying manager of Plush, with the authority of the board, orders a large quantity of materials from a firm of wholesalers whose price, although keenly competitive, is still sufficient to leave a good profit. Tiroyakgosi is a partner in the firm of wholesalers. This, however, is not known either to the buying manager or to the board of directors of Plush Ltd, and Tiroyakgosi does not tell them. Some time later, when all the material has in fact been delivered to Plush and has been used, the board of directors discovers the true position.

Required:

Advise Tiroyakgosi about the consequences of his not disclosing his interest in the contract for the purchase of the material.

(10 marks)

- 10 Dijo Ltd carries on a food packaging and distribution business. The company's business premises are separated into an office, which deals with the administration of the business, and a factory section, where the packaging and distribution take place.

Dijo Ltd has always operated a 'no smoking' policy in the factory section, although there is no reference to this in any employee's contract of employment. Smoking is permitted, however, in the office section, and this is a concern of resentment between office and factory staff, and for those office workers who do not smoke.

Required:

Advise Dijo Ltd:

- (a) **whether Tswelelo, a factory worker, and Khumo, an office worker, may be justifiably dismissed by the company for smoking at work;** (5 marks)
- (b) **whether Ditebogo, an office worker, may be justifiably dismissed for poor attendance due to illness which is considered to be largely attributable to his heavy smoking over many years; and** (3 marks)
- (c) **how the company should proceed in order to ban smoking throughout its premises.** (2 marks)

(10 marks)

End of Question Paper