Specimen Exam

Exam Name: Business Law – Zimbabwe (K3 ZWE)
Time allowed: 2 hours
Pass Mark: 50%

This exam contains:

50 questions, each worth 2 marks
100 marks in total

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Question 1

In relation to criminal law, which of the following is/are recognised stages in money laundering?

(1) Layering
(2) Relocation
(3) Distribution
(4) Integration

A 1 only
B 1 and 4
C 1, 2 and 3
D 2 and 4

Question 2

In relation to the protection of intellectual property, which of the following is/are remedies for the infringement of a trademark?

(1) Punitive damages
(2) Interdict
(3) Statutory damages
(4) Delivery up, search and seizure

A 1 and 2
B 2 and 3
C 1 only
D 4

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Question 3

In relation to the management and administration of companies, which of the following regarding a company auditor is CORRECT?

A The first auditor of a company shall be appointed within six months of the issue of the certificate that the company is entitled to commence business

B No person shall serve as an auditor of a company for more than five consecutive financial years

C A company auditor may own shares in the company

D A special resolution is required for the appointment of a company auditor

Question 4

In relation to employment law, which of the following factors indicate that an individual is an employee rather than an independent contractor?

(1) Non-provision of tools and instruments to carry out stipulated work

(2) Provision of annual leave days

(3) Provision of remuneration after work has been done

A 1 and 2 only

B 2 only

C 1, 2 and 3

D 3 only

Question 5

In relation to agency law, which of the following is an agent of the business with which they are associated?

(1) Executive company directors

(2) Shareholders

(3) Partners

A 1 and 2 only

B 1 and 3 only

C 2 only

D 1, 2 and 3

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Question 6

In relation to partnership law, which of the following activities falls within the authority of a partner?

A Incurring a debt on behalf of the partnership
B Consenting to judgement against the partnership
C Giving credit to customers
D Soliciting for business on behalf of the partnership

Question 7

In relation to company law, which of the following with regards to a private company is CORRECT?

A It allows for free transfer of its shares
B It limits the number of its membership to 50, not including persons who are in the employment of the company
C It allows for an invitation to the public to subscribe for any shares or debentures of the company
D A private company may convert itself into a public company, subject to an ordinary resolution with special notice and confirmation by the High Court

Question 8

Connor owns a trucking business, Kufamba Logistics. His business focuses on the transportation of goods in countries in the Southern African Development Community (SADC) region. Due to the very high inflated prices of fuel, there has been a drastic decrease in revenue in Kufamba Logistics. Connor received a business proposition from Mark to use Connor's trucks to transport illicit products including stolen goods across the SADC region without detection by the authorities. Connor agreed to the proposition and in turn Mark invested in Kufamba Logistics.

In relation to criminal law, which of the following offences have Connor and Mark committed?

A Insider dealing
B Fraud
C Money laundering
D Market abuse

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Question 9

Lindy invested $1,000 on a trading platform known as Userx. Userx advertises crypto investment on the internet but masquerades as a legitimate business when it is not. It lures individuals to invest without any fees or any other expenses incurred whilst promising quick returns. Lindy was promised double the amount she invested but once she paid her money on the platform, the link she used ceased to be functional.

In relation to criminal law, which of the following is Lindy a victim of?

A Wrongful trading
B Fraudulent trading
C Market abuse
D Money laundering

Question 10

In relation to the law of contract, which of the following is NOT an essential element of a valid contract?

A Agreement of the parties
B Possibility of performance
C Profitability of agreement to both parties
D Lawfulness of the agreement

Question 11

In relation to termination of employment through summary dismissal, which of the following is a dismissible offence?

A Theft of an employer's property
B Persistent insubordination and rudeness towards the employer
C Absence from work to attend labour union meetings
D Occasional late arrival to work

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Question 12

In relation to the management and administration of companies, which of the following does NOT fall under the duties of a company secretary?

A Advising the directors of the company as to their duties and powers
B Advising the company's directors on the amount that can be declared as a dividend
C Certifying in the company's annual financial statements whether the company has filed required returns and notices in terms of the law
D Making the directors aware of the laws relevant to or which affect the company

Question 13

In relation to company liquidation, which of the following is grounds for the voluntary liquidation of a company?

A The court is of the opinion that it is just and equitable for the company to be liquidated
B The company is unable to pay its debts
C The company resolves by a special resolution that the company be liquidated
D The company has not commenced business within a year of its incorporation

Question 14

Speedy Taxis (Pvt) Ltd recently had half of its fleet of taxis stolen, which were parked at its garage for overnight safekeeping and repairs. Speedy Taxis (Pvt) Ltd now finds itself without work for 20 of its drivers and decides to terminate their employment.

In relation to employment law, which of the following regarding Speedy Taxis (Pvt) Ltd is this an example of?

A Summary dismissal
B Unfair dismissal
C Retrenchment
D Wrongful dismissal

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Question 15

Dani is the managing director of Info Steel (Pvt) Ltd. Info Steel (Pvt) Ltd has become financially distressed and Dani has continued to trade without taking reasonable steps and measures to prevent further loss to the company.

In relation to criminal law, which of the following is Dani guilty of?

A Market abuse
B Bribery
C Wrongful trading
D Fraudulent trading

Question 16

In relation to the formation of contract, which of the following does NOT terminate an offer?

A Acceptance
B Expiry of a fixed time
C A counter-offer
D An option

Question 17

Which of the following explains how a contract is formed through a quasi-mutual assent??

(1) Through an express offer and acceptance
(2) If one party is led to reasonably believe that the other party is in acceptance of the terms of the contract
(3) It is binding although there is no consensus between the parties
(4) Through an implied offer and acceptance

A 1 and 2
B 2 and 3
C 1 and 3
D 3 and 4

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Question 18

In relation to the content of contracts, which of the following CORRECTLY describes the meaning and effect of a term which relies on the severity of the breach of contract?

A An innominate term
B An express term
C A condition
D A warranty

Question 19

In relation to the formation of contract, which of the following does NOT constitute a valid acceptance?

A Agreement orally by the offeree to the offeror
B An agreement by the offeree through email to the offeror
C An agreement conveyed orally by the offeree to a close relative of the offeror
D An agreement conveyed through email to the agent of the offeror

Question 20

In relation to the protection of intellectual property, which of the following is NOT an exclusive right granted under copyright law?

A Distribution
B Imitation
C Broadcasting
D Public performance

Question 21

In relation to business and company law, which of the following organisations is entitled to raise capital through a rights issue?

A A private company
B A partnership
C A co-operative
D A public company

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Question 22

In relation to the formation of contract, which of the following constitutes a firm offer rather than an invitation to treat?

A The display of goods on a shop window
B An advertisement offering a reward for information leading to the recovery of a lost dog
C Information on the internet relating to availability of places at a college
D An advertisement for an apartment for sale

Question 23

In relation to the appointment of directors, which of the following is INELIGIBLE to be appointed as a company director?

(1) An unrehabilitated insolvent
(2) A full-time employee of the company
(3) A non-Zimbabwean national living in Zimbabwe
(4) A person who has been convicted of an offence involving dishonesty without the option of a fine

A 1 and 2
B 2 and 3
C 2 and 4
D 1 and 4

Question 24

In relation to the Zimbabwe legal system, which of the following represents the meaning of the doctrine of *stare decisis*?

A The judiciary has the duty to make the law which is to be followed in the future by other courts
B The lower courts are not bound by the decision of the higher courts
C Judges in lower courts are bound by the decisions of the higher courts
D All court decisions hold the same binding authority

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Question 25

In relation to the Zimbabwe legal system, which of the following sources of law regulate disputes concerning chieftainship amongst the various tribes and indigenous ethnic groups in Zimbabwe?

A Legislation
B Customary law
C Common law
D Judicial precedent

Question 26

Rob is an economist employed by a stockbroking firm. He advised his friend, Smart, to buy shares in a gold mining company, Ndarama Ltd, which was about to be listed on the Stock Exchange. This information was known only by a few people in the stockbroking fraternity. Smart bought 5,000 shares in the company and as soon as it was listed on the Stock Exchange, the company's shares started trading at a very high price. Smart was able to make a great profit from his investment.

In relation to criminal law, which of the following offences has Rob committed?

A Money laundering
B Insider dealing
C Bribery and corruption
D Fraudulent trading

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Question 27

Zee is the managing director of a consulting firm, Renaissance (Pvt) Ltd.

Which of the following activities can be classified as corruption at Renaissance (Pvt) Ltd?

A Renaissance (Pvt) Ltd has not declared dividends to its shareholders for three years running
B Renaissance (Pvt) Ltd recently bought top of the range vehicles for five of its top directors
C Four of the top managers received vehicles and are relatives of Zee, the managing director
D Employees are usually paid their wages a week after they are due

Question 28

In relation to company liquidation, which of the following is the LAST to receive payment upon the company being liquidated?

A Shareholders
B Employees of the company
C Creditors of the company
D Taxes due to the state

Question 29

In relation to employment law, which of the following about the employment contract is NOT CORRECT?

A It needs not be in writing
B It must always be in writing
C An employer must furnish an employee a set of specified particulars in writing
D An employment contract is governed by the ordinary principles of the law of contract

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Question 30

In relation to company law, which of the following does NOT constitute statutory records?

A Register of members
B Register of debentures
C Register of directors and directors' interests
D Register of creditors and debtors of the company

Question 31

In relation to employment law, which of the following regarding termination is CORRECT?

A An employer may dismiss an employee for health reasons when the employee has exhausted their sick leave days
B A mutual agreement to terminate an employment contract need not be in writing
C An indefinite contract of employment can only be validly terminated pursuant to a retrenchment process
D An employer cannot terminate employment on notice before the expiry of a fixed-term contract

Question 32

In relation to the law of contract, which of the following does NOT constitute a valid acceptance?

A Acceptance within the time specified by the offeror
B Acceptance within a reasonable time where time for acceptance has not been specified
C A counter-offer
D Acceptance by the offeree through unconditional and unequivocal conduct

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Question 33

Terry is a real estate agent at a property leasing firm, Kuvaka Ltd. He received a secret commission of $50,000 from Jerry, the owner of several cluster properties, so that Terry would lease Jerry's properties first before any other properties.

In relation to criminal law, which of the following offences has Terry and Jerry committed?

A Market abuse
B Bribery
C Wrongful trading
D Fraudulent trading

Question 34

In relation to the management and administration of companies, which of the following requirements for the passing of a special resolution is NOT CORRECT?

A The resolution must be passed by a vote of not less than 75% of the members who are entitled to vote
B The resolution must be passed at a meeting where not less than 14 days' notice has been given
C The resolution must be passed where the notice clearly states the intention to propose the resolution as a special resolution
D The resolution must be passed at a meeting where members holding in the aggregate of not less than 25% of the total votes of the company are present in person or by proxy

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Question 35

In relation to business and company law, which of the following with regard to capital reduction is NOT CORRECT?

A A company may reduce its share capital to reduce the liability on any of its shares in respect of share capital not paid-up
B A company may cancel any paid-up share capital which is lost or unrepresented
C A company may pay off any paid-up share capital which is in excess of the wants of the company
D A company may cancel any paid-up share capital without any consideration made to its members

Question 36

In relation to business and company law, which of the following has the right to earn a dividend and vote in meetings?

(1) Executive and non-executive directors
(2) Ordinary shareholders
(3) Debenture holders
(4) Preference shareholders

A 1 and 2
B 2 and 3
C 2 and 4
D 3 and 4

Question 37

In relation to company liquidation, which of the following is NOT grounds for the compulsory liquidation of a company?

A The company is unable to pay its debts
B The company by a special resolution resolved that the company be liquidated by the court
C The company ceases to have any members
D The company does not hold an annual general meeting within 12 months of the previous annual general meeting

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Question 38

In relation to computer misuse and cybercrime, which of the following does NOT constitute sensitive data?

A The name of an individual
B The religious beliefs of an individual
C The racial or ethnic origin of an individual
D Health information about an individual

Question 39

In relation to the law of contract, which of the following is NOT correct about specific performance?

A It is an order to perform a specified act in pursuance of a contractual obligation
B It is an order to perform a specified act or pay money
C It is an order to perform a specified act in pursuance of any other obligation other than a contractual obligation
D It is an order to perform a specified act that concerns an item that can be readily bought anywhere

Question 40

In relation to the contents of contracts, which of the following CANNOT imply terms into a contract?

A Legislation
B The parties
C The courts
D Custom

Question 41

Which of the following courts is NOT a court of first instance?

A Constitutional Court
B High Court
C Supreme Court
D Labour Court

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Question 42

In relation to the Zimbabwe legal system, which of the following falls under legislation?

A Judicial precedent
B Common law
C Customary law
D Statutory instruments

Question 43

In September 2026, Davis and Theo booked their wedding at Sienna Lodge Hotel for March 2027. In December 2026, a pandemic occurred and Sienna Lodge Hotel was unable to host the wedding due to a national shutdown prohibiting gatherings imposed by the state. Davis and Theo had paid a deposit but could not insist on performance.

In relation to the law of contract, which of the following types of discharge is this an example of?

A By breach
B By operation of law
C By frustration
D By agreement

Question 44

In relation to business and company law, which of the following purposes can the proceeds from the share premium account NOT be used for?

A To pay an annual bonus to both directors and employees
B To pay up unissued shares to directors and employees as fully paid bonus shares
C To write off the company's preliminary expenses
D To provide for the premium payable, if any, on the redemption of shares

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Question 45

In relation to business and company law, which of the following regarding debentures is NOT CORRECT?

A All debentures are secured through a mortgage bond
B Debentures bear interest against the company
C Debenture capital has to be paid off by the company at the end of an agreed period of time
D An entity can be both a shareholder and debenture holder at the same time

Question 46

In relation to business and company law, which of the following with regards to the articles of association is NOT CORRECT?

A They are not open to public inspection
B They have the effect of binding all members and the company contractually to each other
C They deal with the internal administration of the company
D They are more detailed than the memorandum of association

Question 47

In relation to business and company law, which of the following is NOT a characteristic of a small-sized company?

A It can acquire assets and liabilities in its own right
B It can hire and dismiss employees of its own accord
C It can be listed on the Zimbabwe Stock Exchange
D It is run by a board of directors

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Question 48

Wangu is a car mechanic and the managing director of Wangu Vehicle Fixers. He receives several cars from customers for maintenance and repairs. Wangu goes on holiday for two weeks and leaves his two assistants, Trey and Vic, unsupervised. As a result, some of the vehicles Trey and Vic repaired broke down immediately after they had repaired them.

In relation to business and company law, which of the following duties have been breached by Wangu?

A Duty of loyalty
B Duty of good faith
C Duty of care and skill
D Duty to disclose a conflict of interest

Question 49

In relation to agency law, which of the following is the name given to a person who acts to safeguard another party's property which may be in danger?

A Agent with implied authority
B Agent with express authority
C Agent through ratification
D *Negotiorum gestor*

Question 50

In relation to company law, which of the following is required to alter the articles of association of a company?

A An ordinary resolution
B A special resolution
C An ordinary resolution with special notice
D A written resolution

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