

**IMPORTANT INFORMATION! READ THIS TUTORIAL LETTER
FIRST! PRESCRIBED MATERIAL! COMPULSORY
ASSIGNMENTS! SEMESTER MODULE! START IN TIME!**

DEPARTMENT OF MERCANTILE LAW

COMMERCIAL LAW 1A

(CLA101S)

Tutorial Letter 101/3/2010

Semester I and II

READ THIS FIRST

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We are pleased to welcome you as a student of Commercial Law 1A (**CLA101S**) and hope that you will find it interesting and rewarding. We shall do our best to make your studies of this module successful. You will be well on your way to success if you start studying early in the semester and resolve to do the assignments properly.

This tutorial letter contains important information concerning this module. We urge you to read it carefully and to keep it at hand when working through the tutorial material, preparing the assignments, preparing for the examination, and addressing questions to your lecturers.

In this tutorial letter you will find the two compulsory assignments for both semesters and instructions on the preparation and submission of the assignments.

This tutorial letter also provides all the information you need with regard to the prescribed tutorial material and how to obtain it. Please study this information carefully and make sure that you obtain the prescribed material as soon as possible.

Finally, we include in this tutorial letter certain general and administrative information concerning this module. Please study this section of the letter carefully.

Right from the start we would like to point out that **you must read all the tutorial letters** you receive during the semester **immediately and carefully** - they always contain important and, sometimes, urgent information.

We hope that you will enjoy this module and wish you all the best!

All queries that are not of a purely administrative nature **but are about the contents of this module** should be directed to us. Please have your study material at hand when you contact us.

Letters should be sent to:

The lecturer (CLA101S)
 Department of Mercantile Law
 PO Box 392
UNISA
 0003

PLEASE NOTE: Letters to lecturers may not be enclosed with or inserted into assignments.

Letters may be **faxed** to us. Our fax number is: (012) 429-3343.

The telephone number for the **Unisa** Contact Centre is: **0861 670 411**. Please use this number, until you receive tutorial letter **CLA101S/102/3/2010** in which the telephone numbers of the specific lecturers involved in the course are supplied. Phone calls made to us when we are not available will be forwarded to an answering machine. You can therefore leave voicemail messages for your lecturers at any time of the day or night. We shall reply to you as soon as possible. **Remember to supply a telephone number where you can be reached.**

You are welcome to visit us to discuss any queries about or problems with the module. However, **please make an appointment beforehand**, otherwise you run the risk of the lecturer not being available to see you. Our offices are on the 6th floor of the **Cas van Vuuren Building**, Main Campus, Muckleneuk, Pretoria.

Students who have access to the Internet may contact the lecturers by means of **e-mail** at **myUnisa**.

3 COMMUNICATION WITH THE UNIVERSITY ADMINISTRATION

If you want to contact the University about matters not related to the content of this module, please consult the publication *Your service guide @ Unisa* which you received with your study material. This booklet contains information on how to contact **UNISA** (e.g. to whom you may write, important telephone and fax numbers, addresses and details of the times certain facilities are open).

For all administrative enquiries students must use the following contact information:

Calls – RSA only: 0861 670 411 (**UNISA** Contact Centre)
 International Calls: +27 11 670 9000
 Fax Number: (012) 429 4150 / +27 12 429 4150
 Email: study-info@unisa.ac.za

PLEASE NOTE:

- You may enclose more than one letter in the same envelope. However, do not write to more than one department in one letter - this will cause delay. Write a separate letter to each department and mark each letter clearly: "For attention: (the relevant department for example, Assignments, Despatch or Examination Section)".
- When writing to the University, always give your student number, the name of the module and the module code at the beginning of the letter.
- Remember to have your student number ready whenever you contact the University.
- Please include your address and telephone number in a letter if you want a reply.

3.1 CONTACT WITH FELLOW STUDENTS

3.1.1 Study Groups

It is advisable to form study groups and to have contact with fellow students. The addresses of students in your area may be obtained from the following department:

Department of Undergraduate Student Affairs
 PO Box 392
UNISA
 0003

3.1.2 myUnisa

The **myUnisa** learner management system is **Unisa's** new virtual campus that will help students to communicate with their lecturers, with other students and with the administrative departments of **Unisa** – all through the Internet.

To go to the **myUnisa** web site, start at the main **Unisa** website, <https://www.unisa.ac.za>, and then click on the orange **myUnisa** button on the right-hand side of the screen. You can also go there directly by typing in <https://my.unisa.ac.za>.

Please consult the publication *Your service guide @ Unisa* which you received with your study material for more information on **myUnisa**.

3.2 DISCUSSION CLASSES

There will be **no** discussion classes for this module in 2010.

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TUTOR SUPPORT PROGRAMME

Unisa has established centres where students may study, obtain library services and gain academic as well as general support in the form of tutorials given by tutors appointed by the University. These services are available to all **Unisa** students on payment of a registration fee. Students who wish to obtain information about tutorial support services, should consult the publication: *Your service guide @ Unisa* in this regard.

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TUTORIAL MATERIAL

5.1 INVENTORY

When you registered you received (in addition to the available tutorial material) an **INVENTORY FOR THE CURRENT SEMESTER** which lists only the items available from the Department of Despatch in Pretoria or the regional offices at the time of registration. Students who register at a regional office will receive the rest of their tutorial material by registered post from Pretoria.

Check the tutorial material you receive against the inventory. You should have received all the items specified in the inventory, unless there is a statement like “out of stock”. If any item is missing, follow the instructions on the back of the inventory without delay.

PLEASE NOTE: Your lecturers cannot help you with missing tutorial material. Please contact the Department of Despatch by using the following contact information:

Calls – RSA only: 0861 670 411 (**UNISA** Contact Centre)

International Calls: +27 11 670 9000

Fax Number: (012) 429 4150 / +27 12 429 4150

Email: study-info@unisa.ac.za

More information about the inventory letter is contained in the publication *Your service guide @ Unisa*, which you received with your tutorial material.

5.2 TUTORIAL MATERIAL

The tutorial material for CLA101S consists of the following:

- (a) **prescribed textbook** (which you must purchase yourself)
- (b) **study guide and tutorial letters** (which you will receive from the Department of Despatch)

PLEASE NOTE: All the tutorial letters will not necessarily be available at the time of your registration. Tutorial letters will be despatched to students as soon as they are available.

5.3 PRESCRIBED TEXTBOOK

The prescribed textbook for this module is: Havenga, M et al *General Principles of Commercial Law* 6 ed (2007) Juta. Please note that the fifth edition of the textbook should **not** be used for the course, as it is outdated in certain important aspects.

Only the following chapters in the prescribed textbook have to be studied for this module:

Chapter 1: The South African Legal System
 Chapter 2: Introduction to the Science of Law
 Chapter 3: Law of Contract: Introduction
 Chapter 4: Consensus
 Chapter 5: Capacity to Perform Juristic Acts
 Chapter 6: Possibility of Performance
 Chapter 7: Formalities
 Chapter 8: Terms of the Contract
 Chapter 9: Interpretation of the Contract
 Chapter 10: Breach of Contract
 Chapter 11: Remedies for Breach of Contract
 Chapter 12: Transfer and Termination of Personal Rights

Should you encounter any difficulties with obtaining books from the official bookshops, please contact the University (Prescribed Books) as soon as possible by using the following contact information:

Calls – RSA only: 0861 670 411 (**UNISA** Contact Centre)
 International Calls: +27 11 670 9000
 Fax Number: (012) 429 4150 / +27 12 429 4150
 Email: study-info@unisa.ac.za

You may also order the book directly from the publisher. The address and telephone number is:

Juta & Co Ltd
 PO Box 14373
 KENWYN
 7790

Telephone number (021) 797-5101

5.4 FURTHER TUTORIAL LETTERS

Apart from Tutorial Letter, **CLA101S/101/3/2010** you will receive other tutorial letters for CLA101S during the semester, namely Tutorial letter, **CLA101S/102/3/2010** in which we introduce your lecturers, confirm the prescribed study material for the examination, inform you about changes to the study material, set out rules of the examination, and describe the kinds of questions which you may expect, and Tutorial Letter **CLA101S/201/3/2010**, which contains the memoranda and commentaries on the assignments.

PLEASE NOTE: Tutorial letters are part of your tutorial material for assignments and examination purposes. Read and reread each tutorial letter; keep it for reference purposes, and study it again.

Students who have access to the Internet, can view the study guides and tutorial letters for the modules for which they are registered on the University's **myUnisa** facility at <https://my.unisa.ac.za>

6**EXAMINATION AND ADMISSION TO THE EXAMINATION**

For general information and requirements as far as examinations are concerned, see the publication *Your service guide @ Unisa* which you received with your study material.

6.1 EXAMINATION

At the end of the semester you will write **one two-hour paper** on this module. The paper consists of multiple-choice questions only.

For the examination you have to study the study guide, the prescribed sections of your textbook, as well as the tutorial letters you receive during the course of the semester. In Tutorial Letter 102 we shall send you more information on the format of the examination paper.

6.2 ADMISSION TO THE EXAMINATION

Submission of the first compulsory assignment will give a student admission to the examinations. The marks for this assignment will contribute 10% to the student's final marks. The marks a student obtains for the second compulsory assignment, will contribute another 10% to the student's final marks. The examination will then contribute 80% towards a student's final marks.

Consequently, students who **only** submit the first compulsory assignment will have admission to the examination, but will lose the opportunity of adding the marks to be obtained for the second compulsory assignment to their final marks. They will nevertheless be admitted to the examination.

6.3 EXAMINATION PERIOD

This module is a semester module. This means that if you are registered for the first semester you will write the examination in **May/June 2010** and the supplementary examination will be written in **October/November 2010**. If you are registered for the second semester you will write the examination in **October/November 2010** and the supplementary examination will be written in **May/June 2011**.

During the course of the semester, the Examination Department will provide you with information regarding the examination in general, examination venues, examination dates and examination times.

6.4 PREVIOUS EXAMINATION PAPERS

Previous examination papers are not available to students. You may, however, accept that examination questions will be similar to the questions asked in your assignments.

6.5 TUTORIAL LETTER ON THE EXAMINATION

To help you with your preparation for the examination, you will receive Tutorial Letter **CLA101S/102/3/2010** in which we will explain the format of the examination paper, give you examples of questions that you may expect and set out clearly what material you have to study for examination purposes.

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COMPULSORY ASSIGNMENTS

7.1 GENERAL

This tutorial letter contains information about the two compulsory assignments. Both assignments are compulsory and therefore must be submitted to the University for marking.

VERY IMPORTANT: Submission of the compulsory assignments is a prerequisite for admission to the examination. (See 6.2 above)

7.2 SUBMISSION DATES

The submission dates for the assignment are as follows:

First semester:

Assignment number	Submission date
Assignment 01	05 March 2010
Assignment 02	01 April 2010

Second semester:

Assignment number	Submission date
Assignment 01	13 August 2010
Assignment 02	03 September 2010

Your assignments must **reach** us on or before the due dates. Detailed information and requirements on the handling of assignments appear in *Your service guide @ Unisa*.

NB: ASSIGNMENTS WHICH REACH THE REGISTRAR AFTER THE FINAL SUBMISSION DATE WILL NOT BE MARKED

No extension for the submission of the assignments will be given. Please do not approach your lecturers with such requests, as we are unable to grant extensions. The assignments are marked by computer immediately after the due date, and late submissions cannot be marked.

7.3 FORMAT OF ASSIGNMENTS AND ASSIGNMENT NUMBERS

- (a) Each of the two assignments consists of ten multiple-choice questions for which a **mark-reading sheet** must be completed.
- (b) Assignments consisting of multiple-choice questions **must be answered on a mark-reading sheet** that will be marked by computer. Check that **Unisa** has supplied you with mark-reading sheets. **Written answers on a sheet of paper will not be marked.** (also see point (i) below).

- (c) Please remember to allocate the same unique number to the assignment as the one given in the tutorial letter.
- (d) Specify the module code and the assignment number when enquiring about an assignment.
- (e) You will receive a computer printout giving your answers, the correct answers, and your marks for the assignment soon after the closing date of the assignments. You will also receive a tutorial letter with detailed commentary on each question of the two assignments.
- (f) When submitting this type of assignment you must send **ONLY YOUR MARK-READING SHEET** in an envelope. **Do not** include a cover sheet with your mark-reading sheet.
- (g) You will find instructions on the use of mark-reading sheets for answering multiple-choice questions in *Your service guide @ Unisa*. Read these instructions carefully and follow them strictly to avoid unnecessary mistakes.
- (h) Do not submit the same assignment a second time. The computer will simply reject it as a duplicate assignment.
- (i) **Students may submit assignments done on mark-reading sheets by post or electronically via myUnisa.** Assignments may **not** be submitted by fax or e-mail. For detailed information and requirements as far as assignments are concerned, see the publication *Your service guide @ Unisa* which you received with your study material.

To submit an assignment **via myUnisa**:

- Go to **myUnisa**.
- Log in with your student number and password.
- Select the module from the orange bar.
- Click on assignments in the left menu.
- Click on the assignment number you want to submit.
- Follow the instructions on the screen.

Each year a number of students submit faulty mark-reading sheets which cannot be processed by the computer. Sheets that are rejected by the computer are returned to students without being marked.

PLEASE FOLLOW THE INSTRUCTIONS CAREFULLY.

PLEASE NOTE

Enquiries about assignments (e.g. whether or not the University has received your assignments or the allocation of marks) must be addressed to the **Assignment Section** by using the following contact information:

Calls – RSA only: 0861 670 411 (**Unisa** Contact Centre)
International Calls: +27 11 670 9000
Fax Number: (012) 429 4150 / +27 12 429 4150
Email: study-info@unisa.ac.za

Assignments should be addressed to:

The Registrar
PO Box 392
UNISA
0003

- Remember that your first assignment must be numbered 01 and your second assignment must be numbered 02.
- Please ensure that your name, address, student number, module code and assignment number appear on the mark reading sheet, **and that this information is correct.**
- State the module code and assignment number in all enquiries about assignments.
- It is wise to **make copies of the assignments** before submitting them, in case they get lost in the post.

7.4 COMMENTARIES ON ASSIGNMENTS

The commentaries on the two compulsory assignments **will be sent to all students registered for this module** in Tutorial Letter **CLA101S/201/3/2010**.

As soon as you have received the commentaries, please check your answers. The assignments and the commentaries on the assignments constitute an important part of your study material for the examination.

7.5 UNIQUE NUMBERS OF THE ASSIGNMENTS

Please ensure that you use the correct unique number on the mark-reading sheets. Without this, your assignments cannot be marked.

The **UNIQUE NUMBERS** for the assignments are as follows:

First semester:

Assignment number	Submission date	Unique number
Assignment 01	05 March 2010	867070
Assignment 02	01 April 2010	747901

Second semester:

Assignment number	Submission date	Unique number
Assignment 01	13 August 2010	687558
Assignment 02	03 September 2010	666181

COMPULSORY ASSIGNMENT 01

CHAPTERS 1 - 6 OF THE PRESCRIBED TEXTBOOK AND STUDY UNITS 1-6 IN THE STUDYGUIDE.

This assignment must be submitted on a mark reading sheet to the University for assessment.

QUESTION 1

Which **ONE** of the following is **NOT** an authoritative source of South African law?

- 1 Statute law
- 2 Customary law
- 3 The old authorities
- 4 Judgments of the superior courts
- 5 Foreign law

QUESTION 2

Which **ONE** of the following is **NOT** a requirement for a customary rule to be recognised as a legal rule?

- 1 It must have existed for a long time and be reasonable.
- 2 It must be generally recognised and observed by the community.
- 3 The contents thereof must be certain and clear.
- 4 It must have been reduced to writing.

QUESTION 3

Solomon works on a Welkom goldmine. Before leaving his home in Limpopo he asked his nephew, Bheki, to look after his cattle during his absence and gave him permission to use the cattle. Everyone in their village now considers the cattle to be Bheki's as Solomon has been gone for so long. Bheki uses the dung of the cattle to fertilise his fields and he sells and consumes their milk.

Which **ONE** of the following statements is **CORRECT** under the circumstances?

- 1 Bheki is the usufructuary of the cattle.
- 2 Bheki is the holder of a praedial servitude in the cattle.
- 3 Bheki is the pledgee of the cattle.
- 4 Bheki is the mortgagee of the cattle.
- 5 Bheki is the owner of the cattle through prescription.

QUESTION 4

Freddie gets involved in an argument with a man in a sports bar one Friday evening, on the merits of a certain rugby team. The argument gets heated, Freddie loses his temper and assaults the other man, to the extent that the man loses consciousness. Freddie decides to go home. On his arrival, he finds his two year old son seriously ill. Still upset from the incident at the pub, he rushes to take the child to the emergency ward of the local hospital. On his way there he is caught driving 140 km/h in a 80 km/h zone. He is summoned to appear in court on a charge of contravening the traffic regulations.

On which **ONE** of the following grounds of justification can Freddie rely?

- 1 Necessity
- 2 Provocation
- 3 Self-defence
- 4 Consent

QUESTION 5

Robert wants to rent a house belonging to Johnny. Johnny tells Robert about the terms of his offer. Robert is not sure whether he should accept the offer or not and he asks for more time to consider it. They agree that the offer will remain open for a period of one week. The following day Johnny is approached by Masedi who also wants to rent the house.

Which **ONE** of the following statements is **CORRECT**?

- 1 Johnny may let the house to Masedi because there is no contract that forbids him from doing so.
- 2 Johnny may let the house to Masedi while his offer to Robert is still open.
- 3 Johnny must keep the offer open for a period of one week until Robert has rejected or accepted it.
- 4 Johnny may not let the house to Masedi even after the period of one week has lapsed, but must wait until Robert has given him an answer.

QUESTION 6

Kwena and Richard negotiated the sale of a house. Kwena represented to Richard that the house had a sound foundation and that there was no danger of the walls starting to crack. They both signed the contract and two days later, after a heavy thunderstorm, three walls cracked as a result of the house having been built on clay.

Which **ONE** of the following statements is **CORRECT**?

- 1 The agreement between Kwena and Richard is void on grounds of misrepresentation.
- 2 Richard does not have any remedies against Kwena since he signed the contract of sale.
- 3 The contract between Kwena and Richard is voidable on grounds of misrepresentation.
- 4 No contract came into existence because the parties did not reach consensus.

QUESTION 7

The following parties are involved in contractual negotiations for the establishment of the first multi million rand virtual reality theme park in Pretoria called "Cyber Pretoria 1".

Which **ONE** of the parties will **NOT** have the capacity to contract independently?

- 1 Arthur, a Jamaican businessman who is domiciled and resident in Jamaica.
- 2 Mabel, a very wealthy widow.
- 3 Pepe, a sixteen year old computer whiz-kid.
- 4 Pedro, a billionaire's son with prodigal tendencies.

QUESTION 8

Vic and Tahira married out of community of property on 1 November 1999.

Which **ONE** of the following statements is **CORRECT**?

- 1 Vic and Tahira have a joint estate.
- 2 Vic and Tahira both lose their full capacity to act on marriage.
- 3 Vic and Tahira are jointly and severally liable to third parties for debts incurred for necessities for the common household.
- 4 Tahira has to give her consent for the sale of a farm which belongs to Vic.

QUESTION 9

After ten years in a business partnership with Paul, which sells tyres, Tim wants to terminate the partnership. Since Tim's business partner, Paul will be entitled to half of the assets of the partnership at the time of termination, Tim concludes a contract with a professional killer, Mr Assassin, in terms of which he will pay Mr Assassin the amount of R20 000 to kill Paul. The next day Paul dies of natural causes.

Which **ONE** of the following statements is **CORRECT**?

- 1 Mr Assassin is not entitled to payment in terms of the contract because performance has become impossible.
- 2 Mr Assassin is not entitled to payment because the agreement between him and Tim is contrary to public policy.
- 3 Mr Assassin is entitled to payment in terms of the contract because performance has become impossible.
- 4 Mr Assassin is not entitled to payment because it is an implied term of the contract that Paul must be killed by Mr Assassin, not die of natural causes.

QUESTION 10

Victor places a bet with Derick, a bookmaker at the local totalisator, that the Proteas will win the cricket test against Australia. The Proteas win the test, but Derick refuses to pay Victor his winnings. The bets at this totalisator are regulated by the National Gambling Act.

Which **ONE** of the following statements is **CORRECT**?

- 1 Victor has no enforceable right against Derick for his winnings, since at common law a wagering contract is invalid.
- 2 Victor has no contractual claim against Derick for his winnings, since their contract is contrary to good morals.
- 3 Victor has an enforceable right against Derick on the grounds of unjustified enrichment.
- 4 Victor has an enforceable right against Derick for his winnings, since the contract is valid and lawful.

TOTAL: [10]

COMPULSORY ASSIGNMENT 02

CHAPTERS 7 - 12 OF THE PRESCRIBED TEXTBOOK AND STUDY UNITS 7-12 IN THE STUDYGUIDE.

This assignment must be submitted on a mark reading sheet to the University for assessment.

QUESTION 1

On her birthday Liz receives an expensive watch as a gift from her Aunt Martha. Four months later Aunt Martha informs Liz that she wants the watch back.

What is the legal position?

- 1 Aunt Martha is not entitled to take the watch back, because a valid contract of donation was concluded.
- 2 Aunt Martha is entitled to take back the watch, because the contract of donation should have been in writing and signed by Aunt Martha.
- 3 Aunt Martha can claim the watch from Liz on the ground of unjustified enrichment.
- 4 Liz is obliged to give back the watch, but she can claim damages from Aunt Martha.

QUESTION 2

Which **ONE** of the following statements regarding the signing of electronic transactions is **CORRECT**?

- 1 An electronic signature always performs the same legal function as a handwritten signature.
- 2 Where a signature is required by law, the typing of a name at the end of the document will be an acceptable signature.
- 3 A scanned handwritten signature qualifies as an electronic signature.
- 4 An advanced electronic signature results from an accredited process and allows the recipient to verify the date and time it was sent.

QUESTION 3

Rose enters into an agreement with her friend, Sandra, in terms of which Rose will use Sandra's house until she buys her own house.

This is an example of a ...

- 1 resolutive condition.
- 2 suspensive condition.
- 3 resolutive time clause.
- 4 suspensive time clause.

QUESTION 4

Clarence wants to purchase a stand from June only if the beach is visible from the stand. June is not sure whether the beach is visible from the stand. They agree that Clarence will purchase the stand if the beach is visible from the stand.

What is such a contractual term called?

- 1 a warranty
- 2 a condition
- 3 a modus
- 4 a supposition

QUESTION 5

Thabo and Tshepo conclude a written contract of loan. When they initially discussed the contract, the idea was that the loan would be repayable only after three years. However, the written document expressly provides for immediate repayment of the loan if Thabo requests it. Assuming that Thabo will not invoke this term, Tshepo signs the contract. Two months later, Thabo calls up the loan with immediate effect.

Which **ONE** of the following statements reflects the **CORRECT** legal position?

- 1 Tshepo is entitled to apply for the rectification of the written contract.
- 2 Thabo has committed breach of contract by calling up the loan and Tshepo can claim damages.
- 3 Tshepo can rely on the oral agreement between herself and Thabo and can refuse to repay the loan immediately.
- 4 The integration rule (parol evidence rule) prevents Tshepo from relying on the oral agreement and she is obliged to repay the loan immediately.

QUESTION 6

Penelope and Hugh conclude a written agreement for the sale of a three piece lounge suite. At a later stage Hugh discovers that he accidentally wrote "a four piece lounge suite".

Which **ONE** of the following statements is **CORRECT**?

- 1 Hugh will have to deliver a four piece suite because the mistake occurred as a result of his negligence.
- 2 Hugh will have to deliver a four piece suite because the parol evidence rule precludes him from relying on the intended agreement.

- 3 Hugh can apply for the rectification of the agreement.
- 4 The contract between the parties is void for vagueness.

QUESTION 7

Leon, who owns a shop that sells seafood, buys fresh fish from Seasong Fisheries. Leon and Seasong Fisheries agree that Seasong Fisheries will deliver the fish to Leon's shop on 16 April. On that date Leon forgets that Seasong will deliver the fish, and closes his shop for the day in order to attend a funeral in a nearby town. When Seasong Fisheries arrives at Leon's shop with the fresh fish, the doors are locked and there is nobody to receive the fish.

Which **ONE** of the following statements is **CORRECT**?

- 1 Leon committed breach of contract in the form of mora debitoris.
- 2 Leon committed breach of contract in the form of mora creditoris.
- 3 Leon committed breach of contract in the form of repudiation of the contract.
- 4 Leon committed breach of contract in the form of prevention of performance by the debtor.
- 5 Leon committed breach of contract in the form of prevention of performance by the creditor.

QUESTION 8

In terms of a written agreement, Conrad purchased a house from Leonard for R650 000. Conrad paid an amount of R100 000 as deposit. The balance of the purchase price was to be covered by a loan from the bank payable on registration. Owing to fault on Leonard's part, the transfer of the house into Conrad's name was delayed. Conrad sent a letter to Leonard demanding that transfer be effected within two months, and he would then pay the balance of the purchase price. Conrad also stated in the letter that he would rescind from the contract and demand repayment of the deposit and claim damages if Leonard failed to co-operate.

Which **ONE** of the following statements is **CORRECT**?

- 1 Conrad is not entitled to send a letter of demand to Leonard, because Conrad has not paid the agreed purchase price for the house in full.
- 2 Conrad is entitled to claim transfer of the house into his name.
- 3 Because Conrad is in mora, Leonard will be released from his obligation to perform unless his non-performance is intentional or due to his own gross negligence.
- 4 Because Leonard is in mora, Conrad is released from his obligation to perform even if his non-performance is intentional or due to his own gross negligence.

QUESTION 9

Alex sells his car to Brian and his library of rare books to Chris. It is an express term of his contract with Brian that the car must be delivered by 6 June. The contract between Alex and Chris does not stipulate any date for the delivery of the books to Chris. Alex does not deliver the car to Brian or the books to Chris.

Which **ONE** of the following statements is **CORRECT** in respect of the legal steps that may be taken against Alex?

- 1 Brian and Chris may, in principle, claim delivery of the car and the book respectively.
- 2 Brian cannot claim delivery of the car but can only cancel the contract.

- 3 Chris is immediately entitled to cancel the contract for the sale of the books.
- 4 Brian cannot apply for an interdict to prevent Alex from selling the car to Edward at a higher price.

QUESTION 10

Connie wins a gift voucher from Shine Car Fixtures. In terms of the voucher, she is entitled to a free car wash. Since she does not own a car, she cedes her right to the car wash to her friend Barry.

Which **ONE** of the following statements is **CORRECT**?

- 1 An agreement between Connie and Shine Car Fixtures in terms of which a new obligation is created between Shine Car Fixtures and Barry, is a cession of rights.
- 2 An agreement between Connie and Barry in terms of which Barry becomes entitled to performance by Shine Car Fixtures, is a cession of rights.
- 3 An agreement between Connie and Barry in terms of which a new obligation is created between Shine Car Fixtures and Barry, is a cession of rights.
- 4 An agreement between Shine Car Fixtures and Barry in terms of which a new obligation is created between Shine Car Fixtures and Barry, is a cession of rights.
- 5 An agreement between Shine Car Fixtures and Barry in terms of which Barry becomes entitled to the performance of Shine Car Fixtures, is a cession of rights.

TOTAL:[10]

We hope that you will enjoy this module and we wish you success with your studies.

THE LECTURERS
UNISA