

UNIVERSITY OF FORT HARE
NELSON R MANDELA SCHOOL OF LAW
(East London Campus)

LAW OF CONTRACTS
(SPECIFIC CONTRACTS)
LOC 221E

SUPPLEMENTARY EXAMINATIONS

JANUARY/FEBRUARY 2020

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Time: 3 hours

Subject: LAW OF CONTRACTS (SPECIFIC CONTRACTS) (LOC 221E)

Marks: 100

This paper consists of 3 pages including the
cover page

Internal Examiners

Dr T Shumba
Prof PC Osode

INSTRUCTIONS

1. Answer ALL (4) questions.
2. Do not separate subsections of questions.
3. Refer to legislative provisions, case law, and/or any relevant authority, where applicable.
4. Pay careful attention to marks allocated.
5. WRITE LEGIBLY.

QUESTION 1

Savela has negotiated for a brand new Mercedes from Ronnies Motors in Beacon Bay, East London. She has been shown her new car and has agreed to pay the purchase price of R899 999 before she returns to fetch the car with her driver later in the day. Meanwhile heavy floods have descended on the town of East London before Savela pays for the car. The car has been reduced to pieces. Advise both Savela and Ronnies Motors on the way forward in light of the nature, extent and effect of seller's duty to safe-keep the merx and on who between the two of them bears the risk in this situation.

[25 Marks]

QUESTION 2

Janet is renting a two bedroomed apartment from Nancy in Quigney, East London. For the past three months, Janet has not paid rent totalling R10 000. All she has been doing with her money is buying luxurious goods which includes a laptop, a car, a bed, pots, a microwave and some domestic utensils. She also has a piano that she got as a birthday present from her boyfriend Steven; a bicycle that she inherited from her aunt; a TV she bought on hire purchase from GAME stores; and a Stove she borrowed from her friend Roseline to cook for her special guests coming for a weekend. It has also turned out that Janet is now insolvent and all her property is going to be sold to pay her debts anywhere. Knowing her predicament, Janet has loaded all the goods from the apartment on a truck and has already left apartment heading for King Williams Town before

Nancy can take any action. However, she has forgotten the piano worth R9000 and left the Stove which belongs to Roseline.

Advice Nancy on lessor's tacit hypothec. In particular, what right does she have over which property in this scenario? Please substantiate your answer. [25 marks]

QUESTION 3

Write a case note on *Makate v Vodacom (Pty) Ltd* 2016 (4) SA 121 (CC) as far as ostensible authority is concerned.

[25 marks]

QUESTION 4

Discuss the various benefits/rights available to a surety under South African Law.

[25 marks]

TOTAL 100 marks