

## QUESTION 2

The following Trial Balance was extracted from the books of a legal practitioner at the financial year end, the 31 December 2023.

	Dr	Cr
	\$	\$
Client Debtors	4 750	
Stationery and office expenses	2 150	
Capital		12 500
Furniture and Equipment	6 000	
Employees' Salaries	12 000	
Clients Trust Accounts		8 600
Library	10 000	
Interest on Trust Savings		400
Balances at bank:		890
Business Current Account		
Trust Current Account	6 550	
Trust Savings Account	2 050	
Fees		20 000
Business Creditors		3 100
Drawings	1 990	
	<u>45 490</u>	<u>45 490</u>

**YOU ARE REQUIRED TO** prepare the income statement (profit and loss account) of the firm for the year together with the statement of financial position (balance sheet) as at that date.

**(20 Marks)**

## QUESTION 3

On 30 December 2023 the Trust Cash Book of Magwagwa Law Practice showed a debit balance of \$1 600. The Bank Statement showed a credit balance of \$2 210. A comparison of the books showed the following differences:

- i. Ledger fees of \$30 had been charged against the Trust Current Account. The bank was in possession of standing instructions that the charges were to be debited against the Business Current Account;
- ii. Cheques totaling \$890 had not been presented for payment;
- iii. A deposit of \$240 from a client had been returned to client marked 'Referred to

Drawer' iv. A cheque for \$340 had in error been entered as \$330 in the Cash Book but the Bank had entered the correct amount.

**YOU ARE REQUIRED TO** adjust the Cash Book and thereafter prepare a bank reconciliation statement to reconcile the difference between your adjusted Cash book and the Bank statement as at 30 December 2023. **(15 Marks)**

**QUESTION 4.**

Explain how the bookkeeper of the firm M & N Legal Practitioners would enter each of the following transactions in the firm's books of account.

- (a) Purchase of revenue stamps worth \$10 000 for use as and when required. [2]
- (b) The payment to Mr Baker of \$60 000 being the sum collected from his debtors. [2]
- (c) The receipt of the sum of \$20000 from Daggie as a payment in respect of a debt owed to your client Sam. Sam owes the firm an amount of \$300, 00 for services rendered on his behalf. [2]
- (d) Payment of rental for the office premises in the sum of \$500. [2]
- (e) The purchase of a computer to be used for the preparation of trust accounts. [2]

**(10 Marks)**

**TOTAL MARKS: 70 MARKS**

**END OF QUESTION PAPER**

GREAT ZIMBABWE UNIVERSITY  
RECEIVED



**HERBERT CHITEPO LAW SCHOOL**  
**BACHELOR OF LAWS HONOURS DEGREE**  
**LEVEL 5 SEMESTER 1**  
**EXAMINATION QUESTION PAPER**

**MODULE CODE**                      **LLB 626**  
**MODULE NARRATION**      **CONVEYANCING**  
**DATE**  
**DURATION**                              **3 HOURS**

**INSTRUCTIONS TO CANDIDATES:**

- 1. Answer ALL questions.**
- 2. Read all questions carefully before attempting to answer.**
- 3. All your answers must be supported by relevant authority.**
- 4. Write legibly.**
- 5. NOTE when drafting documents use your own data unless if it is supplied.**
- 6. Students may bring into the examination room the text, The Guide to the Law and Practice of Conveyancing in Zimbabwe as well as any relevant statutes provided that the text and statutes are not annotated.**

### **QUESTION 1**

Dr. Andrew 'Goat' Machanga intends to donate his property to his daughter. The property is called STAND 78423 VALLEYDALE TOWNSHIP OF LOT 1 OF SUBDIVISION 5 OF WILLOVALE situate in the District of Harare and is held by Dr Goat under deed of transfer number 98967/88. The property has been valued at the sum of US\$793 090.00. The holding deed is a Deed of Transfer No. 98967/88 endorsed with a mortgage in favour of FBC Building Society in the sum of US\$500 000.00. Dr. Goat's daughter is aware of the existence of this mortgage and has agreed to replace her father as the debtor if the property is transferred into her name.

The conditions clause in the holding deed reads as follows: "Subject to all such terms and conditions as are in the said Deeds mentioned or referred to, including the relevant conditions of establishment of the said Township contained in Rhodesia Government Notice No. 11895 dated 5th February 1965." Ownership must now be conveyed from Mr Goat to his daughter, Samatha.

- i) Draft the Deed of Transfer **[8 marks]**
- ii) Calculate the stamp duty to be paid to the Registrar of Deeds for the registration of this transfer. **[3 marks]**
- iii) Draft the Consent to Substitution. **[5 marks]**
- iv) Assuming you have also been instructed to attend to the substitution of debtor, draft your lodging cover. All the documents you are to lodge for this transfer must be listed on the lodging cover. **[4 marks]**

### **QUESTION 2**

Olivia Chenai is the registered owner of certain piece of land. She has transferred certain piece of land to Jowa Matombe under Deed of Transfer number 227216/2019. A court order has been granted for the cancellation of the Deed. Olivia now wishes to transfer the property to Tendai.

- (a) Which title deed will be the holding deed that you will use to register this transfer? Why? Explain.

**[5 marks]**

b) Give a brief explanation of the following terms relating to Mortgage Bonds:

- i) Participation Bond
- ii) Pactum commissorium
- iii) Kustingbrief
- iv) Indemnity Bond
- v) Parate executie

**[5 marks]**

(c) Ironside Mabhehe owns two farms which he wishes to consolidate. What requirements are set out in the Deeds Registries Act before a Certificate of Consolidated Title can be issued by the Registrar of Deeds?

[4 marks]

### **QUESTION 3**

Chirinda Matura has obtained a permit to subdivide his property called Stand 1983 Mandara into two subdivisions. The Diagrams have been framed and approved. The property is bonded to ABC Bank Limited. The owner has sold the Remaining Extent thereof to the Highfield Community Centre for \$50 000.00. The Bank has consented to the said transfer without requiring any amount to be paid in reduction of their bond.

(i) List (only) ALL the documents which must be drawn to enable transfer to be registered.

[6 marks]

(ii) DRAFT i) the deed of transfer

[7 marks]

ii) the Power of Attorney to give transfer to the Remaining Extent. [5 marks]

iii. A permit to sub-divide or consolidate is applied for in terms of section 40 of the

Regional Town and Country Planning Act [Chapter 29:12]. Why is it important to acquire this permit?

[5 marks]

### **QUESTION 4**

Explain the difference between:

- (i) a Deed of Transfer and a Certificate of State Title;
- (ii) a dispensation certificate and a diagram;
- (iii) a participation bond and a collateral surety bond;
- (iv) a holding deed and a diagram deed

[8]

b) Explain the rationale behind the rule that deeds must follow the sequence of their relative causes in terms of Section 11 of Deeds Registries Act. What challenges might be encountered if this rule is not strictly enforced.

[5]

**QUESTION 5**

The number of cases of sale of urban land by unregistered land developers has risen in recent years. Many home-seekers have lost thousands of dollars in these illegal transactions. What would you advise the relevant ministry to do in order to safeguard the public from this problem? Assuming a person who wants to purchase such property approaches for you advise, what potential pitfalls would you highlight to them before they conclude the sale.

**[10 marks]**

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END OF QUESTION PAPER  
TOTAL 70 MARKS