



UNIVERSITY OF KELANIYA – SRI LANKA

Centre for Distance and Continuing Education

FACULTY OF COMMERCE & MANAGEMENT STUDIES

Bachelor of Commerce (Special) Degree First Year Examination (External) – 2016

May 2022

BCOM E1055 – Business & Industrial Law

No. of questions: Eight (08)

Time: 03 hours

Answer five questions by selecting at least two questions from each part

Part 1

Question No 01

a). State and explain five essential elements of a valid contract.

(10 Marks)

b). Samantha lost her handbag with some important documents. Samantha found the handbag and decided to hand it over to Samanthi. Meanwhile, Samanthi put a notice in a newspaper that she will reward Rs.15,000 if anybody finds her handbag. Without knowing about the notice, Samantha handed over the bag to Samanthi. When he comes to know about the reward, he asks for Samanthi. But she refuses to pay him money. Now Samantha intends to take legal action against Samanthi. Advise him.

(10 Marks)

(Total 20 Marks)

Question No 02

a). Explain with examples the duties of an agent.

(10 Marks)

b). Fresh Fruits Company in Sri Lanka runs a business importing fruits from overseas; They imported Rs 50 million worth of stock of apples and grapes from Australia was transported to Sri Lanka on a ship called Bon Voyage. Due to the general strike carried out by the employees at the harbour, the ship could not enter the Colombo harbour. It was stranded

on the high seas for more than 2 weeks, and the ship captain noticed that fruits would have perished. He was trying to call the Fresh Fruits company, but his attempt failed. To reduce the damage, he sailed the ship to Singapore harbour, sold the entire quantity for Rs 40million and sent money to Fresh Fruits Ltd. Fresh Fruits Company intends to take legal action against the captain of the ship. Advise the company.

(10 Marks)

(Total 20 Marks)

Question No 03

a). Amara, Binara and Sunira made separate contracts with Ocean Fish Ltd to buy Tuna fish. According to the contracts, Amara Binara and Sunira agreed to buy 20, 85 and 85 boxes of fish, respectively. Ocean Fish Ltd consigned 190 boxes by rail and gave instructions to railway officials to hand over the relevant stock to the relevant person at different railway stations. The train was delayed, and the fish had deteriorated before the fish stocks had been appropriated for buyers. Who should bear the loss? Explain your answer with relevant case law.

(10 Marks)

b). Differentiate between implied conditions and implied warranties come under sale of goods law.

(10 Marks)

(Total 20 Marks)

Question No 04

a). John entered into a contract with Visit Sri Lanka Travel Agency requiring him to provide eight cars every day to take visitors to tourist spots along the Down South. After two months, John realizes that the rising cost of operating the fleet has made it impossible to continue to provide the cars without incurring losses. He approaches Visit Sri Lanka Travel Agency and informs them that he will be unable to deliver all the cars required starting from the following day. Given this, Visit Sri Lanka agrees to make Rs 2000 additional payment per car per day if John agrees to continue to provide the cars. John agrees, but Visit Sri Lanka refuses to pay when an invoice is sent after the service was rendered. Is Visit Sri Lanka under obligation to make the extra payment? What would happen to the

contract between John and Visit Sri Lanka if the expected travellers could not come to Sri Lanka due to the curfew imposed by the government due to the outbreak of Covid 19?

(10 Marks)

- b). Explain the rules concerning payment of damages. Support your answer by referring to decided cases.

(10 Marks)

(Total 20 Marks)

Part II

Question No. 05

Lal is the owner of Delish Restaurant and has hired Philip to clean the restaurant at the end of each shift. Lal has requested that Philip clean the kitchen, serving area and amenities. Philip knows what Lal requires and can determine how many hours it will take to complete the job. Lal and Philip decide on a set price to complete the job, rather than an hourly rate. Philip has access to the restaurant and can choose to come in and clean the restaurant at any time before it re-opens at 9 am.

Philip uses his cleaning products and has his employees help him. At the end of each month, Philip issues an invoice to Lal, including his days worked and usage of cleaning products. Philip is not given any direct supervision; however, if he does not perform to the standard required, he can be liable for any losses.

You are required to identify whether Philip is an employee or independent contractor by referring to various tests developed in the Employment Law.

(Total 20 Marks)

Question No. 06

- a). Name the different methods of the Industrial Disputes Act in resolving industrial disputes?

(08 Marks)

b). What is an industrial dispute? Explain with suitable examples. (06 Marks)

c). Compare and contrast compulsory arbitration with voluntary arbitration? (06 Marks)

(Total 20 Marks)

Question No. 07

Write an account on the Shop and Office Employees Act No 19 of 1954 referring to the following aspects;

- a) Working hours
- b) Payment of overtime
- c) Public holidays.
- d) Annual leave
- e) Maternity benefits.

(Total 20 Marks)

Question No. 08

a). What are the objectives of a trade union? (04 Marks)

b). Explain the different types of strikes? (06 Marks)

c). Compare and contrast Employees' Provident Fund and Employees' Trust Fund. (10 Marks)

(Total 20 Marks)