



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) – 2019

April 2023

BCOM E1055 – Business Law & Industrial Law

No. of questions: Eight (08)

Time: 03 hours

You are required to answer five questions (05) selecting at least one question from Part 2.

Part 1

Question No. 01

- a). What is the constitution and jurisdiction of the Supreme Court of Sri Lanka?
(10 Marks)
 - b) State four laws that contributed to developing the legal system of Sri Lanka.
(04 Marks)
 - c) Briefly explain the importance and relevance of the Constitution and the decided cases as sources of law in Sri Lanka.
(06 Marks)
- (Total 20 Marks)

Question No. 02

- a). “An invitation to treat is not an offer”. Discuss the validity of this statement with reference to decided cases.
(10 Marks)
- b) Jeewaka prepares medication for the Covid 19 and advertises in the newspaper and social media that he is ready to give Rs.100,000 to any person who contracted Covid after using the medicine three times per day for two weeks continuously. He further says that he has deposited Rs. 500,000 in the ABC bank, Maharagama branch for this purpose. Mrs.

Sukumali saw the advertisement and purchased and used it as described by the manufacturer for a period of two weeks. In the end, she got Covid 19 and she asked for the reward. Then Jeewaka refused to pay her Rs, 100000 and stated that there is no contract between Sukumali and him and that they have published the advertisement only for sales promotion purposes. Can Sukumali claim the reward? Explain your answer by referring to relevant case law

(10 Marks)

(Total 20 Marks)

Question No. 03

- a) Mr. and Mrs. Perera went to Trincomalee to spend the holiday. They decided to stay at the Beachside hotel located 1km away from the town. At the reception counter of the hotel where they paid money and got the key to the room. When they went into the room, they saw a notice stating that *“the management will not hold itself liable for valuables lost unless handed over to them safe keeping”*. To spend the evening, they went to the beach. Meanwhile, a thief entered their room and stole Rs 250000 worth of neckless belonging to Mrs. Perera. Now she wants to get compensation from the hotel for her lost jewelry. Advise her whether she can recover damages from the hotel with the support of decided cases.

(12 Marks)

- b). State and briefly explain the three types of valuable considerations related to the formation of contracts.

(08 Marks)

(Total 20 Marks)

Question No. 04

- a) John advertised to sell a car and indicated it was manufactured in 2010. David came to inspect the car and decided to buy it. After buying the car he found that only the back half corresponded with the description. The other part had been welded to the front half which was part of another car that was manufactured in 1995. Now David wants to cancel the contract. Discuss whether David can cancel the contract with reference to decided cases.

(10 Marks)

- b). State and briefly explain 5 types of goods that come under the classification of goods in the Sale of Goods Ordinance of 1896.

(10 Marks)

(Total 20 Marks)

Question No. 05

- a). What are the differences between a contract of insurance and a contract of assurance?

(10 Marks)

- b). Bindu and Tara were partners. And Tara was also employed to buy sugar for the firm. Tara without Bindu's knowledge sold sugar of his own to the firm at a higher rate than the market price and made a considerable profit. Explain the duties of partners in terms of disclosure and Tara's liability in this situation.

(10 Marks)

(Total 20 Marks)

Question No. 06

- a). As the agent for Kings Hotel, Robert bought a large stock of yogurt in Colombo to be dispatched to Kings Hotel located in Nuwara Eliya. Due to heavy rain and landslides, which continued for a long period in Nuwara Eliya, Robert couldn't send the stocks of yogurt to Kings Hotel. Without communicating with the hotel, Robert sold the yogurt in Colombo, at a lower price and sent money to Kings Hotel after some time. Now Kings Hotel wishes to take legal action against Robert for damages. Explain with decided cases whether Robert would be liable to pay damages.

(10 Marks)

- b) Write a note on the following referring to the provisions contains in the Companies Act No 07 of 2007.

i) Incorporation of a company

ii) Articles of Association

(05 Marks x 2)

(Total 20 Marks)

Part 2

Question No. 07

- a) Briefly explain the various tests developed by the courts to differentiate an employee from an independent contractor.

(10 Marks)

- b) What do you mean by probationary period?

(04 Marks)

- c) "During the probationary period, the employer can terminate the services of a probationer without showing reasons". Comment.

(06 Marks)

(Total 20 Marks)

Question No. 08

- a). State five types of employees who are not covered by the Employees Provident Fund Act No 15 of 1958.

(05 Marks)

- b). What are the provisions contained in the Shop and Office Employees Act on the following?

- i). Working hours
- ii) Annual Leave
- iii) Maternity benefits

(03 Marks x 3)

- c). What are the rights enjoyed by a registered trade union in Sri Lanka under the Trade Unions Ordinance No. 14 of 1935?

(06 Marks)

(Total 20 Marks)