



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) – 2021

October 2023

BCOM E1055 – Business & Industrial Law

No. of questions: Eight (08)

Time: 03 hours

This question paper consists of three parts. Part 1 (Question no 01) is compulsory. You are required to select three (03) questions from part II and one (01) question from part III. The total number of questions to be answered is five (05).

Part 1

Question No. 01.

Select the correct answer and write it on the given answer booklet.

1. Choose the most accurate statement of law.

- a) Law is the command of the sovereign
- b) A system of principles recognized and applied by a state to administer justice
- c) A system of rules and regulations introduced by a state to regulate the behavior of people
- d) All the above statements are correct

2. Among the following, a sub-branch of "Business Law" is,

- a) Law of Delicts
- b) Law of Agency
- c) Industrial Law
- d) Law of Property

3. Which of the following is not a legal requirement for a valid offer?

- a) The offer should be submitted subject to obtaining the consent of the offeree
- b) The offer should express the offeror's willingness of the transaction
- c) The offer must be communicated to the offeree

- d) An offer must be addressed to a specific individual and cannot be made to the public
4. Amila makes an offer to sell her house to Bandu. Five days after making the offer, Amila's house is destroyed by fire. Amila's liability for the destruction of the subject matter of the agreement;
- a) comes to an end
 - b) Bandu may or may not accept the relevant offer
 - c) A new offer is created
 - d) Still valid
5. A threatens to kill B if he does not sell his luxury car to him for Rs 30 million. Here B's consent has been obtained.
- a) by threat
 - b) by fraud
 - c) by mistake
 - d) by undue influence
6. The correct statement regarding the application of the "Agency Law" to Sri Lanka is;
- a) English law on agency applies in Sri Lanka
 - b) The law of agency was introduced to Ceylon by Ordinance No. 05 of 1852 for the introduction of English law to Ceylon.
 - c) There are no local legislations containing the principles of agency law
 - d) Everything mentioned here is correct
7. Choose the correct statement about the principle of subrogation
- a) The maximum compensation available is the value of the insured property
 - b) This principle applies to all insurance contracts
 - c) He will be awarded only an amount equal to the loss incurred to restore the insured to pre-accident condition
 - d) Everything mentioned here is correct

8. An essential element of partnership is.

- a) business
- b) Profit motive
- c) Dealing in general
- d) Everything mentioned here is required

9. The false statement about private limited companies is;

- a) The minimum number of directors is 01
- b) There is no limit on directors' maximum
- c) The minimum number of shareholders is 01
- d) Maximum number of members is 100

10. A contract for the sale of future goods is a;

- a) A voidable contract
- b) An void contract
- c) A sale
- d) Agree to sell

(Total 20 Marks)

Part 11

Question No. 02

a). State four differences between Criminal Law and Civil Law.

(04 Marks)

b). Name and briefly explain four purposes of law with suitable examples.

(12 Marks)

c). Name four branches of Civil law

(04 Marks)

(Total 20 Marks)

Question No. 03

- a). Briefly explain what are the essential elements that must be met for there to be a "valid contract".

(10 Marks)

- b). Sunimal offered to sell his BMW motor car to Nimal for Rs. 20 million. Nimal agreed to purchase it for Rs. 19 million. Sunimal refused to sell the car for 19 million. Subsequently, Nimal agreed to purchase the car for Rs 20 million. However, Sunimal refused to sell the car. Nimal intends to take legal action against Sunimal for breach of contract. Advise Nimal by refereeing to decided cases.

(10 Marks)

(Total 20 Marks)

Question No. 04

- a). What are the conditions to be fulfilled for "Agency by ratification" to occur?

(14 Marks)

- b). Explain the effects of the following contracts made by an agent with a third party.

- i). When the agent doesn't disclose the existence of the principal
- ii). When the agent discloses the existence but not the name of the principal
- iii). When the agent discloses the existence and name of the principal

(06 Marks)

(Total 20 Marks)

Question No. 05

- a). What are the main differences between a Registered limited company and a partnership business.

(10 Marks)

- b). Write short notes on the following with reference to the Companies Act No 07 of 2007.

- i). contents of a Certificate of Incorporation.
- ii). List the situations where a company's name and number can be used.

(10 Marks)

(Total 20 Marks)

Question No. 06

- a). State and briefly explain the implied conditions applicable to a sale of goods contract.
(12 Marks)
- b). Athula entered a contract on the 1st of January 2023, with Ranmal Furniture to buy a table and ten chairs worth Rs. 250,000. He arranged to take the delivery of furniture the next day and agreed to pay for the furniture on the 21st of January 2023. The all furniture at the company was destroyed by fire on the evening of 1st of January 2023. Is Athula liable to pay the price? Give reasons.
(08 Marks)
- (Total 20 Marks)**

Part III

Question No. 07

- a). State and explain the main tests developed by the courts to differentiate an employee from an independent contractor.
(10 Marks)
- b). Describe the various categories of employees in Sri Lankan organizations.
(10 Marks)
- (Total 20 Marks)**

Question No. 08

- a). Name and explain the various statutory provisions provided by the Shop and Office Employees Act to regulate the Terms and conditions of the employees.
(10 Marks)
- b). Briefly explain the alternative methods contained in the Industrial Disputes Act on resolving industrial disputes.
(10 Marks)
- (Total 20 Marks)**

