



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) – 2023

May – 2025

BCOM E 1055 - Business & Industrial Law

No. of questions: (08)

Time: 03 hours

You are required to answer 5 questions, selecting 04 questions from **part -1** and 01 question from **part- 2**

PART -1

Question No. 01

- a) Briefly explain with relevant examples the four purposes of law. (08 Marks)
 - b) State four powers of the Court of Appeal of Sri Lanka. (04 Marks)
 - c) Differentiate between criminal law and civil law. (08 Marks)
- (Total 20 Marks)**

Question No. 02

- a) Mr. Anuj is the employer and sends Ajay in search of the pet cat, which was missing for 3 days. After Ajay left in search of the cat, Anuj advertised in a newspaper saying that whoever finds the cat will be given a reward of Rs. 50,000. Ajay finds it, and the reward is ignored. Can he claim the reward? Justify your answer. (10 Marks)
 - b) Explain with decided cases the various types of “Mistakes” in the law of Contracts. (10 Marks)
- (Total 20 Marks)**

Question No. 03

- a) Anjali and her husband Kevin bought an apartment with three bedrooms from the “Superlight” luxury apartment. They executed a written agreement with “Superlight” luxury apartments to pay the price of Rs . 24 million by sixty (60) equal monthly payments.

Two years later, disputes arose, and Anjali and Kevin decided to separate. In the discussion, Kevin agreed to transfer the ownership of the apartment to Anjali when she finishes paying all the instalments. Anjali paid all the remaining instalments as agreed, but Kevin refuses to transfer the ownership to her.

Advise Anjali regarding the remedies available to her with reference to decided cases.

(10 Marks)

- b) "In general, all persons have full power to enter into any type of contract they wish. But in restricted circumstances, certain types of persons do not have the capacity to make contracts".
- (i) Name four types of persons who do not have the capacity to make valid contracts.
 - (ii) Differentiate between unassisted and assisted contracts made by minors.

(10 Marks)

(Total 20 Marks)

Question No. 04

- (a) Explain the effect of the following contracts made by an agent with a third party when the agent acts for;
- (i) Disclosing the name of the principal.
 - (ii) Disclosing the existence of the principal.
 - (iii) Not disclosing the name and existence of the principal.

(12 Marks)

- (b) Explain the duties of an agent towards his principal, referring to decided cases.

(08 Marks)

(Total 20 Marks)

Question No. 05

- a) Amal and Kamal have inherited their family business. They produce jewellery using traditional designs based on manual labour. They were both keen on expanding the business to meet the high demand for traditional jewellery. They are planning to change the mode of business from partnership to a new business model, which would allow them to bear limited liability while allowing them to make more profit.

Advise them on a suitable business model. Your answer should at least highlight about five (05) salient features of the proposed business model.

(10 Marks)

- b) Ravi wanted to obtain life insurance. The insurance agent asked him whether he had been seriously ill in the past year. Ravi has recently suffered from dengue fever. However, he did not mention this to the agent or anywhere in the proposal. After getting to know that Ravi had dengue, the insurance agent stated that the insurance would not be honored. Explain whether the insurance company can reject Ravi's claim.

(10 Marks)

(Total 20 Marks)

Question No. 06

- a) Explain the following terms in relation to law of sale of goods.
- Existing goods.
 - Future goods.
 - Contract of sale of goods .

(10 Marks)

- b) **Malhari** went to Fresh Flowers Pvt. Ltd. to buy some flowers for her wedding bouquet. She mentioned this to the florist and said she wants fresh flowers, and the flowers have to stay fresh for at least ten hours. She asked whether this was possible, and the company owner said, 'Yes, of course, we only sell fresh flowers and our flowers last for more than twelve hours.' When the flowers were delivered on her wedding day, she noticed that there were artificial flower buds filling the bouquet. Within one hour of her wedding ceremony, Malhari noticed that the flowers were already wilted. **Malhari** claims that the flowers she got are not acceptable and wishes to sue Fresh Flowers Pvt. Ltd. for breach of conditions under the Sale of Goods Ordinance. Advise Malhari.

(10 Marks)

(Total 20 Marks)

PART -11

Question No. 07

- a) Discuss the nature of obligations of the employer on payment of gratuity to employees in respect of the Payment of Gratuity Act No. 12 of 1983.
- b) Write an account on the Shop and Office Employees Act No. 19 of 1954, referring to the following aspects.
- Working hours
 - Public holidays
 - Annual leave

(15 Marks)

(Total 20 Marks)

Question No. 08

- a) Kasun was appointed as a clerk in David & Co. Ltd, subject to a probationary period of one year. At the end of the six-month period, Kasun's service was terminated on the grounds that his service was not satisfactory. However, he had not been advised of any shortcomings in his work during the probationary period. Kasun intends to take legal action against the employer.
- i. Advise Kasun.
 - ii. Would your answer be different if Kasun's service was terminated because he had joined a trade union?

(10 Marks)

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

(10 Marks)

(Total 20 Marks)