



University of Kelaniya – Sri Lanka

External Examinations Branch

Faculty of Commerce and Management

Bachelor of Commerce (Special) Degree Examination (External) – 2009

Year I

October/ November 2010

BCOME 1054 – Business Law

No. of questions: Seven (07)

Time: 03 hours

Answer five (05) questions.

(01) a) “All contracts are agreements but all the agreements are not contracts”. Discuss the validity of this statement with suitable illustrations.

(10 marks)

b) Ajith offered his land to Senaka at Rs. 500,000/=. Senaka replied accepting the offer and enclosed a cheque for Rs. 100,000/= with a promise to pay the balance by monthly installments of Rs. 50,000/= each. Explain whether a contract was concluded between Ajith and Senaka.

(10 marks)

(02) a) What is discharge of a contract?

(04 marks)

b) What are the various modes of discharge.

(16 marks)

(03) a) State the conditions that must be fulfilled to establish agency by necessity.

(10 marks)

b) (i) What do you mean by the rule delegates non-potest delegare?

(ii) What are the exceptions to this rule?

(10 marks)

(04) a) A sample of plants was shown to Varuni saying as ‘English rose’ by Roshini the owner of a plant nursery. Varuni ordered for 500 ‘English rose’ plants. The nursery owner, Roshini supplied the plants to Varuni which were matching the sample but were “Sri Lankan rose” plants. Explain the legal position of the parties to this contract with reference to decided cases.

(08 marks)

b) Define the term "delivery" as mentioned in Law of Sale of Goods and discuss the rules relating to delivery of goods.

(12 marks)

(05) a) What is agency by ratification? What are the requisites of a valid ratification.

(10 marks)

b) Explain "actual authority" and "apparent authority" of an agent.

(10 marks)

(06) a) What are the effects of incorporation of a company.

(06 marks)

b) What are the documents to be produced to the Registrar of companies regarding registration of a company.

(06 marks)

c) Explain with suitable examples the duties of directors under the Companies Act. No. 07 of 2007.

(08 marks)

(07) a) State the implied authority of a partner in relation to the partnership business.

(10 marks)

b) Write notes on the following.

(i) Doctrine of subrogation.

(ii) Differences between a contract of insurance and a contract of assurance.

(10 marks)