



University of Kelaniya - Sri Lanka

Centre for Distance and Continuing Education

Faculty of Commerce & Management Studies

Bachelor of Business Management (General) Degree First Examination (External) – 2019

April - 2023

BMGT E1045 - Business Law

No. of Questions : Eight (08)

Time: 03 hours

Answer any 05 questions only.

Question No. 01

- a) State and briefly explain the purposes of law. (08 marks)
- b) What is the composition, and the jurisdiction of the Court of Appeal? (08 marks)
- c) Name four branches of Civil law. (04 marks)
- (Total 20 marks)**

Question No. 02

- a) “The law of contract is the foundation upon which modern business is built” Do you agree with this statement? Give reasons with suitable examples. (10 marks)

- b) Asanka offered to sell his motor car for Rs 01 million and Hemantha accepts to purchase it for Rs 950,000. But Asanka refused to sell the car for Rs 950,000. Subsequently, Hemantha agrees to purchase the car for Rs 1 million. But Asanka refused to sell the car. Hemantha intends to take legal action against Asanka for breach of contract. Advise Hemantha by referring to the decided cases.

(10 marks)

(Total 20 marks)

Question No. 03

- a) Sahan wanted to sell his Austin Cooper car and advertised it in a newspaper. Namal a rouge came to buy it and led Sahan to believe that he was the well-known actor, Vijay Kumar. Namal offered Sahan a cheque for the car which he signed 'As Vijay Kumar. Then Sahan was unwilling to accept the cheque given by Namal but he insisted Sahan accept it. Sahan, therefore, asked him whether he had anything to prove he was Vijay Kumar. Namal the rouge produced a National Film Studio pass with the name 'Vijay Kumar'. Sahan then allowed Namal to take the vehicle. Namal's cheque was from a stolen chequebook and was not honored. Namal immediately sold the car to Laksiri disappeared, and was not traced. Sahan took legal action against Laksiri for the return of the car. Can Sahan become successful in the litigation?

(10 marks)

- b) Under what circumstances an innocent party can claim "Ordinary damages" and Special Damages? Explain your answer referring to the decided cases.

(10 marks)

(Total 20 marks)

Question No. 04

- a) Ceylon Government Railway (CGR) had transported an American breed buffalo from Colombo to Jaffna. This buffalo was given to CGR by a curd farmer named, Bandara and he advised the railway authorities to hand over the buffalo to Balachandran. When the

buffalo arrived at Jaffna station, there was nobody to collect it. Thereby, the CGR sent it to a stable. A number of days later, the CGR paid the stabling charges. Meanwhile, Balachandran came to collect the buffalo, and railway authorities demanded to pay stable charges. However, Balachandran refused to pay it. State whether Balachandran is bound to pay the charges by referring to the decided cases.

(10 marks)

- b) Under exceptional circumstances, an agent may appoint another person as his sub-agent and delegate all his powers to the sub-agent. Explain five instances where an agent can appoint a sub-agent.

(10 marks)

(Total 20 marks)

Question No. 05

- a) Prabhath bought a lorry from Janaka, a garage owner. Prabhath used it for six months for his transportation business. However, this lorry was sent to Janaka's garage for heavy repair work by Perera. When Prabhath drove the lorry to Anuradhapura, it was identified by Perera. The lorry was taken to his custody by Perera. Later on, Prabhath came to know that Janaka did not have a title for the lorry and he had to return it to the real owner Perera. Then Prabhath took legal actions against Janaka to recover the full amount he paid to purchase the lorry. Janaka's argument is he doesn't have to pay the full amount since Prabhath has used the lorry for six months period. Advise the parties referring decided cases.

(12 marks)

- b) State with relevant examples, four (4) types of Goods that could be identified under the Sale of Goods Ordinance No 11 of 1896.

(08 marks)

(Total 20 marks)

Question No. 06

- a) What are the provisions related to the registration of the name of a company according to the Companies Act No 07 of 2007?
(10 marks)
- b) Explain with examples the fundamental principles of insurance.
(10 marks)
- (Total 20 marks)**

Question No. 07

- a) Briefly explain the legality (legal feasibility) of the following scenarios.
- i) After completing the degree Ms. Madumathi joined Sri Lanka Insurance Company as a junior executive on the 1st of August 2021. She wishes to marry Kanishka in September 2022. She intends to take her annual leave for the wedding and believes she can obtain 10 days of annual leave.
(05 marks)
- ii. Rishani has been recruited by Amaya Saloon as a hairdresser. Three months after joining the saloon Rishani informed the owner of the saloon Ms. Chaturi about her 5 months pregnancy. Ms. Chaturi decided to terminate Rishani from her job by arguing that she did not inform her about the pregnancy at the time of recruitment.
(05 marks)
- b) State the differences between Employee Provident Fund and Employee Trust Fund.
(10 marks)
- (Total 20 marks)**

Question No. 08

- a) State and briefly explain the various types of employment categories available in Sri Lanka.
(10 marks)
- b) "*Strike is a legitimate weapon of the working community*" Explain under what circumstances a strike becomes an illegal trade union action.
(10 marks)
- (Total 20 marks)**