



BMGT E 1045 – Business Law

No of Questions : 08 (Eight)

Time : 03 hours

Answer five questions only.

(01) (a) "An invitation to treat is not an offer" Discuss the validity of this statement with reference to decided cases.

(10 marks)

(b) Asanka offered to sell his motor car to Hemantha for Rs. One Million. Hemantha accepts to purchase it for Rs. 9,50,000/=. Asanka refused to sell the car for Rs. 9,50,000/=. Subsequently Hemantha agrees to purchase the car for Rs. One 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 decided cases.

(10 marks)

(02) (a) State briefly the conditions that must be required to prove "Misrepresentation".

(10 marks)

(b) Sahan and Aravinda are standing on the opposite banks of a small river. Sahan shouts offering to sell his bicycle to Aravinda for Rs. 10,000/=. Aravinda hears the offer and shouts back that he accepts it. Unfortunately at that precise moment, a low flying aircraft passes by and Aravinda's acceptance is not heard by Sahan because of the noise. Is there a binding contract between Sahan and Aravinda. Give reasons by referring to decided cases.

(10 marks)

(03) (a) John agrees to sell a painting to Richard for Rs. 20,000/=. The painting needs a new frame and informs Richard that the painting will be ready for him to collect in a fortnight. However when Richard comes to collect and pay for the painting. John refuses to give it to him. Advise Richard.

(08 marks)

- (b) "A seller cannot convey a better title to the buyer than he himself has (Nemo dat quod non habet). Discuss this rule of law and point out the exceptions. (12 marks)
- (04) (a) What do you understand by the implied authority of a partner. What are the statutory restrictions on a partner's implied authority? (10 marks)
- (b) Anusha and Bimalka are partners in a readymade garment business. Anusha without the knowledge of Bimalka bribed the designer Aruni of one of their main competitors, Star Garments Ltd. to disclose some latest patterns of dresses. Competitor as a result suffers a loss. Discuss the liability of Anusha and Bimalka regarding the above matter. (10 marks)
- (05) (a) What is Agency by Ratification? State the conditions that must be fulfilled in order to establish valid ratification. (12 marks)
- (b) Bandu appoints Amara as his agent to sell goods with instructions that they are not to be sold for less than Rs. 50,000/= in any single transaction. Examine the legal position of the parties in each of the following situation.
- (i) Amara sells the goods to Piyal for Rs. 40,000/= and also enters into contract by his own name. (04 marks)
- (ii) Amara sells the goods to Predeep for Rs. 55,000/=. Pradeep thought that he has obtained a profit and given Amara a present of Rs. 2500/=. (04 marks)
- (06) (a) What are the main characteristics of a negotiable instrument. (06 marks)
- (b) Explain the meaning and effects of the endorsements mentioned below.
- (i) Endorsement in blank.
- (ii) Special endorsement. (04 marks)
- (c) Gamini promised to his nephew, Amila Rs. 25,000/=, if he passed his degree with a class. When Amila passed, Gamini handed him a cheque drawn in his favour for Rs. 25,000. As Amila has just become engaged to Janani, he endorsed the cheque and gave it to her as a present. Janani used the cheque to pay for

purchases she made at Ranliya Garments Ltd. When Gamini heard the cheque had been passed to Janani, whom he disliked, he stopped payment of it.

Discuss the liability of the parties.

(10 marks)

(07) (a) What are the objectives of registration of a trade union according to the Trade Unions Ordinance of 1935.

(04 marks)

(b) What are the special limitations affect the registration of trade unions of state sector employees.

(06 marks)

(c) Explain the rights, immunities and privileges of registered trade union.

(10 marks)

(08) Write an account on the Shop and Office Employees Act referring to the following aspects.

(a) Working hours

(b) Payment of Overtime

(c) Public holidays

(d) Annual leave

(e) Letter of appointment

(f) Maternity benefits.

(20 marks)