



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) – 2012/ 13
January/ February - 2016

BMGT E 1045/ BMGT 13045 – Business Law

No of questions – 08

Time: 03 Hours

Answer five (05) questions only.

- (01) a) Chitrasena put an advertisement in the Sunday Express News paper stating that he would sell a number of modern paintings by auction on December 25, 2015 at his residence in Colombo. Rajan travelled from Jaffna to Colombo on the day scheduled for auction and reached Chitrasena's residence on time. But it was kept under lock and key. There was no auction sale as well. Rajan had to spend Rs. 25,000/= for travelling and lodging for this journey. Rajan wants to sue Chitrasena on the breach of contract. Advise Rajan with reference to decided cases.
- (08 marks)
- b) Define the term "Valuable consideration. Explain its salient features.
- (12 marks)
- (Total 20 marks)**
- (02) a) Mahen, a motor cyclist champion contracted with Perera, the owner of a circus, to perform a particular action on his motor cycle in a deep dangerous well of wood. One day before the date of his performance, Mahen met with an accident and was hospitalized for fifteen days.
- Describe whether Perera can cancel the contract with Mahen by referring to decided cases.
- (08 marks)

b) Explain the rules with regard to payment of damages with suitable examples.
(06 marks)

c) What are the remedies available to an injured party in case of breach of the contract.
(06 marks)

(Total 20 marks)

(03) a) State the different types of courts introduced by the 1978 Constitution and the Judicature Act No. 2 of 1978.
(05 marks)

b) Discuss in detail the jurisdiction of the Supreme Court of Sri Lanka.
(15 marks)

(Total 20 marks)

(04) a) State whether the following statements are true or false with reasons.
(i) A contract of sale of goods is a contract by which the seller transfers or agrees to transfer the property in goods to the buyer for a price.
(ii) The term "contract of sale" includes both a "sale" and an "agreement to sell".
(iii) The consideration of a contract of sale can be given in the form of goods as well.
(iv) The subject matter of contract of sale shall be a movable property.
(v) Rare coins may be the subject matter of a contract of sale.
(10 marks)

b) A sample of plants was shown to Bimal introducing it as "Malaysian Rambutan" by Amal the owner of a plant nursery. Bimal ordered for 1000, "Malaysian Rambutan plants. The nursery owner Amal supplied the plants matching the sample to Bimal but later on Bimal realized that those were "Sri Lankan Rambutan" plants. Now Bimal wants to take legal action against Amal. Advise Bimal.
(10 marks)

(Total 20 marks)

(05) a) What is Agency by Ratification. Describe the requirements to be fulfilled in order to establish a valid agency by ratification.

(12 marks)

b) Explain the consequences of the following contracts entered by agent with a third party.

(i) The agent does not disclose the existence of his principal.

(ii) The agent discloses the existence of his principal, but not his principal's name.

(iii) The agent discloses both the existence of the principal and also his name.

(08 marks)

(Total 20 marks)

(06) a) David Perera draws a bill of exchange for Rs. 10000/= in favour of Sugath Liyanage for payment of goods. Sugath Liyanage having endorsed the bill as "Pay Athula Perera only", hands over it to Athula Perera. Now Athula wishes to transfer the bill to Roshan for settlement of a debt he owes to Roshan.

Explain whether Athula Perera can transfer the bill to Roshan.

(06 marks)

b) Explain the characteristics of a "negotiable instrument"

(06 marks)

c) Describe the types of crossing cheques and the legal implications of such crossings.

(08 marks)

(Total 20 marks)

(07) According to section 2(1) of the Termination of Employment of Workmen (Special Provisions) Act No. 45 of 1971, " No employer shall terminate the scheduled employment of any workman without.

- (i) the prior written consent of the workman or
- (ii) the prior written approval of the commissioner of labour

a) What do you mean by

- (i) Scheduled employment.
- (ii) Termination of service

(04 marks)

b) What are the powers of the Commissioner of Labour in relations to the Termination of Employment of Workmen Act.

(06 marks)

c) Who are the employers and employees not covered by the above act.

(06 marks)

d) What are the consequences of termination of service in breach of the above act.

(04 marks)

(Total 20 marks)

(08) a) Clarify the objectives of the Wages Boards Ordinance of No. 27 of 1941

(04 marks)

b) Explain the provisions provided by the Wages Boards Ordinance for payment of wage and maintaining wage records.

(04 marks)

c) Discuss the constitution and powers of a wages board.

(08 marks)

d) Name 4 wages boards that have been already established.

(04 marks)

(Total 20 marks)