



UNIVERSITY OF RUHUNA
FACULTY OF MANAGEMENT & FINANCE

No of Pages : 03
No of Questions : 05
Total Marks : 70

BBA2202- BUSINESS LAW

Date : 19. 06. 2015

Time : 01.30p.m. – 04.30 p.m.

BACHELOR OF BUSINESS ADMINISTRATION – LEVEL 2000

SECOND SEMESTER END EXAMINATION – JUNE / JULY 2015
(NEW SYLLABUS)

03 hours

Answer all questions.

Candidates will be penalized for illegible handwriting.

1. (a) "There are no any implied conditions or implied warranties in the Sale of Goods Ordinance to provide protection to the buyer of a contract of sale of goods"

Do you think the above statement is correct? Give reasons for your answer.

(07 marks)

- (b) Nadeesha bought a LED television from Dasun TV Traders. After few weeks, Nadeesha returned the television since it stopped working. However, Dasun TV Traders refused to return the price.

Advice Nadeesha.

(04 marks)

Would your answer be different if Dasun TV Traders has included a contractual term to restrict their liability for any fault of the television?

(03 marks)

(Total marks 14)

2. (a) Kushan was authorized by Lakmal to buy paddy at a certain price from farmers. However, Kushan exceeded his authority and purchased paddy at a higher price in his own name.

Advice Lakmal.

(3.5 marks)

- (b) Dilan appointed Iromal as his agent to buy a house for him. After purchasing the house, Dilan discovered that Iromal has taken a commission from the house owner.

Advice Dilan.

(3.5 marks)

- (c) Lanka appointed Kumari as an agent to sell her land. However, Kumari appointed some sub agents for that task.

Advice Lanka.

(3.5 marks)

- (d) Ruwan employed Asela as the Manager of the Hotel Ruwan. Asela has given instructions not to buy cigarettes for the Hotel. However, one day Asela ordered cigarettes from Wimal who knew nothing about the prohibition.

Advice Ruwan.

(3.5 marks)

(Total marks 14)

3. (a) What do you mean by a contract of insurance?

(03 marks)

- (b) What are the basic principles of Insurance?

Briefly explain.

(06 marks)

- (c) Saara is the owner and the Managing Director of Super Luxury Transport Pvt. Ltd specialized in organizing tours for foreigners. She has taken an insurance policy for one of her reliable, trusted and the key employees Thilak, the Tour Manager.

One day, Thilak fell from a bus while he was travelling with a group of foreigners and sustained injuries that prevented him from moving. As a result, he contracted pneumonia due to lying in the wet and died.

Now the insurance company refuses to pay the claim.

Advice Saara.

(05 marks)

(Total marks 14)

4. Determine the validity of following contracts. Your answer should be supported with relevant decided cases, if any.

(a) Nishantha a businessmen in Matara city paid Rs. 2,00,000/= for the welfare fund of the Southern Province Federation of Traders due to the pressure and compulsion made on him by the office bearers of the Federation.

(3.5 marks)

(b) Chamod entrusted to his nephew Niroshana, who is a lawyer to prepare a gift of a valuable residential house, in favour of the wife of Niroshana and niece of Chamod. Niroshana merely obtained the services of another lawyer to prepare the deed and completed the transaction.

(3.5 marks)

(c) Sanjeewnie, a 15-year-old girl, suddenly fell ill on her way home from a tuition class. She visited a doctor nearby the tuition class and received some medical treatments.

(3.5 marks)

(d) Savithri an employee of 'Matara Confectioners' entered into an agreement with the Matara Confectioners that she would never work for similar business for 5 years in Matara.

(3.5 marks)

(Total marks 14)

5. Write comprehensive notes on any **four (04)** of the following.

(a) Offer and invitation to treat.

(b) Negotiable instruments.

(c) *nemo dat quod non habet* (no one can give what does he not own)

(d) Differences between a company and a partnership.

(e) A contract of service and a contract for service.

(3.5 marks each)

(Total marks 14)

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