



UNIVERSITY OF SRI JAYEWARDENEPURA

B.Sc. Business Administration (General) External Degree Part I Examination -2011

(May 2014)

BME 1506 – Business Law

(Time: Three hours)

This paper consists of seven (07) questions. Answer five (05) questions only.

Question No.01

Explain any four (04) of the following.

- (i) Law and Moral.
- (ii) Substantial Law and Procedural Law.
- (iii) Civil Law and Criminal Law.
- (iv) Legislation and delegated Legislation.
- (v) Adversarial and Inquisitorial Systems.

(05 Marks each)

(Total 20 Marks)

Question No.02

- (i) State three (03) qualifications required to be a director of a limited liability company according to Companies Act No. 07 of 2007. (03 Marks)
- (ii) Mention five (05) duties of a director. (05 Marks)
- (iii) How should a company enter into a "Major Transaction"? (06 Marks)
- (iv) Write six (06) differences between a limited liability company and a partnership. (06 Marks)

(06 Marks)

(Total 20 Marks)

Question No.03

- (i) Many lay people think that displays in shop windows and display of goods with price tags on the shelves of super markets are offers, but the legal position is just the opposite. Explain this statement with reference to decided cases. (10 Marks)

- (ii) A reward had been offered by the Police for information leading to the arrest and conviction of a murderer. The plaintiff, who was not aware of the offer of a reward, gave information to the police as a result of which the murderer was arrested. The plaintiff was then informed of the reward and he claimed it. The Police rejected to give the reward. Advise the plaintiff. (10 Marks)

(Total 20 Marks)

Question No.04

Kusum went to a local supermarket with her friend Nelum. They bought two packets of Mushroom. It was mentioned on the packet that the contents are ready to cook. They cooked the mushroom and ate. Suddenly Nelum saw remnants of a dead snail in the mushroom she ate and fell ill. It was found that the mushroom packets were manufactured and packed by a company which is far away.

- (i) What are the remedies available for Nelum against the super market? (10 Marks)
- (ii) What are the remedies available for Nelum against the manufacturing company? (10 Marks)
- (Total 20 Marks)

Question No.05

- (i) Define a “cheque” and mention four (04) advantage of a cheque as a means of payment. (04 Marks)
- (ii) What are the main characteristic of a negotiable instrument? (04 Marks)
- (iii) Compare a cheque with a bill of exchange. (06 Marks)
- (iv) Explain “negotiability” and “transferability”. (06 Marks)
- (Total 20 Marks)

Question No.06

- (i) Define the term “trade mark” and write four (04) functions of a trade mark. (05 Marks)
- (ii) How can you protect a business name/trade name? (05 Marks)
- (iii) Nimal who is a businessman intends to go abroad to undergo a surgery. He wants to appoint a suitable person to look after his business, bank accounts and other properties. Advise Nimal on how he can appoint an agent in writing in Sri Lanka with reference to types of agent. (10 Marks)
- (Total 20 Marks)

Question No.07

- (i) Sandya is in a fancy shop looking for a gift for a friend. She sees a rather nice glass decanter priced at Rs. 9999/=. She carefully picks it up and walks towards the counter where an assistant is waiting. As she approaches the counter a small child bumps into her and she drops the decanter which smashes into a thousand glittering fragments. In the midst of her distress and embarrassment a shop assistant approaches her and says that under the store’s policy she has bought the decanter and must pay for it. State, with reasons, whether you believe the shop assistant is correct in law. (10 Marks)
- (ii) Write notes on **any two (02)** of the following.
- (a) Legal systems of Sri Lanka.
- (b) Independence of the judiciary.
- (c) The influence of the National environmental Act on business. (05 Marks each)
- (Total 20 Marks)
