

EXAMINER'S REPORT
LEVEL II EXAMINATION - JANUARY 2024
(203) BUSINESS LAW

The Paper, (203) Business Law January 2024 constitutes three sections as **Section A**, **Section B** and **Section C** with 07 compulsory Questions. The paper had been set to assess Business Law knowledge of candidates as a whole.

General Observations from the evaluation process have been summarized as follows:

Section - A

Question No. 01

This Question consisted of 14 parts for 25 marks. This question has been attempted by almost all the candidates. As a whole, candidates had answered this question successfully.

Performance of candidates for question numbers **1.1**, **1.2** and **1.3** was at a satisfactory level. For question No. 1.2, some candidates had given a wrong answer as the Court of Appeal. For 1.3, "*Only written contracts are legally enforceable by law*" was selected by some candidates which was incorrect. For question No. **1.4**, **1.5**, **1.6**, **1.7**, **1.8** and **1.9**, the performance of candidates were at a satisfactory level.

However, for question No. **1.11**, most of the candidates were failed to identify the difference between "*Civil Law*" and "*Criminal Law*". Also, only a handful of candidates have attempted the question No. **1.12** regarding objective of the Money Laundering Act.

Further, most of the candidates were unaware of non-judicial disputes resolution methods used in resolving international disputes.

As a whole, performance for this question was at a satisfactory level.

Section - B

Question No. 02

As a whole, performance of candidates for this question was at a satisfactory level. This question is intended to test knowledge of principles of insurance law. The responses were generally successful.

- (a) However, there were considerable number of candidates, who had no idea of what the insurable interest is.
- (b) Moreover, majority of candidates were unable to explain the "*Principle of Contribution*" accurately.

As a whole, performance for this question was average.

Question No. 03

This question tested the knowledge on law of agency, specifically as to the duties of an agent, etc.

As a Whole, the question was answered successfully.

- (a) Majority of candidates had given correct answers on how to create an agent-principal relationship. They had a good understanding on how it can be created.
- (b) Even though the candidates had a good understanding of the duties of an agent, they could not write a comprehensive answer to obtain good marks.
- (c) An agent should act according to the instructions of the principal. A large number of candidates had given clear answers that Bhakti could recover the damages. As a whole, performance of candidates for this question was at a satisfactory level.

As a whole, performance for this question was average.

Question No. 04

Most candidates were successfully answered this question. Few Candidates had not attempted to answer this question.

This question was set to assess the knowledge of candidates regarding Consumer Affairs Authority Act. Many candidates successfully answered this question. Several candidates had not attempted to answer this question.

Only a handful of candidates had written the objectives as specified in the Act. However, some candidates did not realize that unnecessary storage of inventory is an offense under the Consumer Affairs Authority Act. Therefore, they were unable to write a comprehensive answer for this question.

As a whole, performance for this question was average.

Question No. 05

The first part was answered very unsuccessfully. It was observed that the candidates lacked theoretical knowledge relating to legal personality and related concepts of a corporation. Therefore, number of incorrect answers were given. They had no idea of the instances where the corporate veil is lifted. Only a few had provided correct answers.

The second section had been successfully answered by majority of the candidates. Some candidates had not written answers referring to the bank's responsibility. Instead they have just mentioned that it cannot be encash from the bank.

As a whole, performance for this question was not at a satisfactory level.

Question No. 06

The question was based on labour law. In answering the first part here, candidates had to decide whether she was an employee or an independent contractor according to the relevant TESTs. But many candidates had mentioned that she is not an employee from their general knowledge. Only a few had mentioned about TESTs in answering this part of the question.

Regarding the second part, considerable number of candidates had answered successfully. But it was observed that the knowledge of some candidates regarding this area was insufficient. It was also observed that some candidates have explained the gratuity payments instead of EPF benefits.

As a whole, performance of candidates for this question was at a satisfactory level.

As a whole, performance for this question was at a satisfactory level.

Section - C

Question No. 07

Part (A)

- (a) Considerable number of candidates had provided correct answers for this question. As a whole, performance of candidates for this part of the question was at a satisfactory level.
- (b) Few candidates answered this section correctly. It was observed that the knowledge of the candidates was low. Only a few candidates had written information about the transfer of ownership of goods. As a whole, performance of candidates for this question was not at a satisfactory level.
- (c) This section was under the Sale of Goods Ordinance. Knowledge of implied conditions were tested and for this section, candidates had given correct answers. But only a few candidates had given answers referring to judgments and section 14 of the act. As a whole, performance of candidates for this question was at a satisfactory level.

Part (B)

- (a) This section was related to contract law. Majority of the candidates had recognized the contractual relationship correctly. Considerable number of candidates had given facts about the ability of a minor to enter into contracts. Some of them had given benefits to minors. Out of that, a very small number of candidates had given facts about Judgments. Only a very few candidates had realized that minors are bound by the contracts that give benefits to minors. As a whole, performance of candidates for this question was at a satisfactory level.
- (b) It was observed that the answers to this section was generally unsuccessful. It was observed that the candidates' knowledge on exemption clauses were weak.

As a whole, performance for this question was average.

Common matters to be considered to improve the competency level of candidates:

- (1) Study the syllabus completely and pay special attention to frequently tested subject matters.
- (2) Read the question with due care and answer only what is asked in the question.
- (3) Action verb Check List with definitions is attached to the question paper itself and each question will begin with an action verb excluding Objective Test Questions (OTQs). Candidates should answer the questions based on the definition of the verb given in the Action Verb Check List.
- (4) Refer specially the Self-Study Texts, additional books, magazines and any other material related to this subject.
- (5) Build competencies that are necessary to correctly identify and compare the fundamental theoretical concepts when answering the question paper.
- (6) Ensure that hand writing is legible and question numbers are written accurately.
- (7) Adhere to the instructions given in the question paper.
- (8) Improve practical experience by answering past papers and comparing with suggested answers.
- (9) Pay attention to proper time management.
- (10) Re-check whether question numbers and index numbers had been recorded correctly before handing over the answer script.
- (11) Sit for the exam with prior preparation and an utmost determination to pass the exam.

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