

EXAMINER'S REPORT
LEVEL II EXAMINATION - JULY 2023
(203) BUSINESS LAW

Section - A

Question No. 01

This question consisted of 14 OTQs for 25 marks.

This question has been attempted by most of the candidates. Most of the candidates have scored more than half marks of the total marks allocated to this question. Some candidates have scored almost all the marks of the total marks allocated to this question.

It was noted that a considerable number of candidates have failed to answer correctly for the question no **1.10 & 1.13**. The reason may be due to lack of knowledge about holder in due course and the methods by which the price is determined in a Sale of Contract.

As a whole, performance for this question is satisfactory. Because it contributes massively to reach the pass mark.

Candidates should have a good knowledge about Civil law, Criminal law, Sale of goods ordinance, Commercial law, International law, Money laundering law and Negotiable instrument to obtain high marks for the **Section A**. Therefore, it is important that candidates improve their knowledge on all parts of the law to gain high marks for this subject.

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

Section - B

Question No. 02

This question has tested the knowledge of Law of Insurance. This is a fairly simple question. This scenario is based on the 'Principle of utmost good faith'. Most of the candidates have attempted this question and provided correct answers. Most of them had explained about 'Principle of utmost good faith'. At the time of entering into the insurance contract, **Walimuni** has failed to comply with the principle of Utmost Good faith. Therefore, his wife is not able to obtain compensation under the life insurance cover obtained from **XYZ Insurance Ltd**. This was correctly understood by majority.

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

Question No. 03

This question has tested the knowledge of Labour law. This is a fairly simple question related to labour law. Most candidates have attempted this question and provided somewhat correct answers.

This required candidates to calculate the gratuity entitlements of **Rosi** at the time of resignation. However, majority of the candidates have not identified that the half month salary should be considered in this calculation. Further, it was required to explain the right of **Rosi** to withdraw EPF. This was answered correctly by majority. However, the functions of the ETF Act was poorly answered by majority.

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

Question No. 04

This question has tested the knowledge of Intellectual Property. This is a fairly simple question related to Intellectual Property Act. Most candidates have attempted this question and provided satisfactory answers.

Majority of the candidates have understood that **Suresh's** wife can take legal action against **Nimal** for misusing the book published by Suresh after his demise under the Intellectual Property Act. Therefore, they have given satisfactory answers to obtain good marks.

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

Question No. 05

This question tested the knowledge of law of Partnership. This is a fairly simple question related to law of Partnership. It was required to explain elements of a partnership. Most candidates have attempted this question and provided average answers. It was also required to state implied authorities vested with a partner in a partnership. However, candidates have not attempted this question successfully.

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

Question No. 06

This question tested the knowledge on law of agency. Most of the candidates have attempted this question and provided somewhat correct answers. Some candidates have not recognized the correct type of agency in between **Sarath & Kapila**.

Further, it was required to explain whether **Sarath** is liable to pay **Mohamed** for the chicken feed bought by **Kapila** on credit. Most of the candidates have not understood that chicken feed forms an important part of **Sarath's** implied authority to buy those, even though it was not specifically mentioned in the contract document. For **Part (c)**, some have not provided answers. Further, they have not understood the fact that agent should not exceed his authority. Only a handful of candidates have attempted and obtained marks for this part of the question.

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

Section - C

Question No. 07

Part (A)

This question was based on contract law. It was required to answer **part (a), (b) and (c)** of this question based on the given facts using the knowledge of contract law. For **part (a) of (A)**, the performance was at a satisfactory level. Majority of the candidates have correctly identified that there is a valid offer between **Apsarie** and **Kahathuduwa** based on the “Postal Rule” applicable to contracts.

For **Part (b)** also, with the knowledge of “Postal Rule”, considerable number of candidates have identified that **Kahathuduwa** can take legal action against **Apsarie**.

For **Part (c)**, It was required to discuss whether “Sittara Gurunnanse” can take legal action against **Apsarie**. In this case, “Sittara Gurunnanse” has used kaha-Aalepa as per the prescribed manner. Therefore, he can take legal action against **Apsarie**. This fact has been correctly identified by majority.

Part (B)

This question was based on implied conditions relating to sale of Goods Ordinance. However, the answers given by majority of the candidates show that the level of knowledge of candidates in this area is not adequate. However, almost all the candidates have attempted this question, but their performance were not satisfactory.

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

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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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