

EXAMINER'S REPORT
LEVEL II EXAMINATION - JULY 2021
(203) BUSINESS LAW

Section - A

Question No. 01

This question consisted of 14 Objective Test Questions (OTQs) for 25 marks.

This question consisted of sub questions covering the entire syllabus of Business Law.

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.

It was noted that a considerable number of candidates have failed to answer correctly the question numbers **1.11, 1.12, 1.13**. Some students have not recognized correctly the elements of a contract of sale of goods. They have written implied conditions of sales of goods. Most students had no knowledge about Financial Intelligence Unit and section 05 of the Right to Information Act No.12 of 2016.

Candidates should have a good knowledge about Civil Law, Sale of Good Ordinance, Constitutional Law, Law of Contract, International Law, Law of Agency, Bill of Exchange, Negotiable Instruments to obtain high marks for Section-A.

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

Section - B

Question No. 02

This question tested the knowledge on Law of Agency. Most of the candidates have attempted this question but provided number of irrelevant answers. Most candidates have provided correct answers for **part (a)**. **Part (a)** required to discuss the legal rights of the company against **Sarath**. But most candidates have provided wrong answers for **part (b)**. Majority of the candidates have mentioned that **White Salt (PVT) Ltd.** should be liable.

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

Question No. 03

This question tested on the knowledge of Law of Insurance, specially the applicability of the principle of “Proximate Cause in Insurance”. This is a fairly simple question related to Law of Insurance. Most candidates have attempted this question and provided correct answers. Most of them have mentioned about proximate cause in insurance. But some candidates have not mentioned that Covid-19 was not covered under the life insurance policy, obtained by **Raja**. Most candidates have provided correct answers for **part (b)**. They have correctly mentioned that, as the spouse of **Raja**, **Seetha** has an insurable interest on **Raja’s** life. Further, if that demise has occurred as a car accident, **Seetha** would have been able to obtain compensation.

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

Question No. 04

This is a fairly simple question related to Company Law. Most of the candidates have attempted this question and provided correct answers for **part (b)**. Only a fewer number of candidates have provided correct answers for **part (a)**. They had no knowledge on Articles of the Association. Specially, the clauses relating to objectives of the company which are contained in the Articles of Association.

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

Question No. 05

This was a fairly simple question related to the Labour Law. It was required to identify the concept “employee” under each of the given instances. Most of the candidates have attempted this question and provided correct answers for **part (a)** and **(b)**. Few candidates have failed to provide correct answers for **part (a)**.

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

Question No. 06

- (a)** This part is based on International Trade. It was required to explain the role of a letter of credit as a payment method in international trade. Some candidates had a knowledge about letter of credit. But they were fail to explain the role of letter of credit correctly.
- (b)** This part is based on intellectual property. Most candidates have provided correct answers for this part.

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

Section - C

Question No. 07

This question is comprised of two parts.

(A) This part is based on Law of Contracts:

- (a) Most candidates have provided correct answers. They have correctly identified that there are valid contracts between hospital and **Tina & Tony** respectively. However, some other candidates have mentioned that as no advance payment has been paid to Tony, there was no valid contract between hospital & **Tony**.
- (b) Most candidates have mentioned that the hospital can sue **Tina** and **Tony** on the basis of the breach of contract and claim for damages from them. Accordingly, they were able to score full marks.
- (c) Considerable number of candidates have mentioned the contract has been terminated by frustration and also they have mentioned the contract has been frustrated due to the intervention of government and some other facts which are beyond the control of **Tina**. Accordingly, most of them were able to score good marks for this.

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

(B) This part is based on sale of goods ordinance:

- (a) Most candidates have provided correct answers for this part. Most candidates have mentioned **Kamal** can claim the full amount he paid for the car. Because, this case is relevant to the Section 13 (1) of the sale of Goods Ordinance and as per it, in the case of a sale, the seller should have a right to sell the goods at the time when the property is to pass.
- (b) It was tested the remedies available to an unpaid seller “against the Goods” under the sale of Goods Ordinance. Most candidates have provided correct answers for this part also.

As a whole, performance for this question was 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 Text books, 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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