

EASTERN UNIVERSITY, SRI LANKA
FACULTY OF COMMERCE AND MANAGEMENT
DEPARTMENT OF COMMERCE



SECOND YEAR-SECOND SEMESTER EXAMINATION IN BUSINESS
ADMINISTRATION/ COMMERCE- 2008/2009 (September 2010) (Proper/Repeat)

COM 2042 BUSINESS LAW

Answer all questions.

Time: 02 Hours

01. Siva posted a letter in Colombo on the 01st January, 2010, addressed Raja in Batticaloa offering to sell his house and property for Rs. 07 Million. On 09th January, 2010 Raja sent a telegram to Siva accepting the offer. This was followed by a letter posted on the same day, confirming the telegram. In the meantime on the 08th January, 2010 Siva posted a letter revoking his offer. The letter of revocation reached Raja only on the 14th of January, 2010.

Was there a binding contract? Discuss.

(30 marks)

02. Explain briefly the following with decided cases in connection with the law of contract:

- (a) Condition.
- (b) Exemption clauses.

(25 marks)

03. (a) Define Bill of exchange.

(b) Write briefly about crossed cheques.

(25 marks)

04. Write short notes on the following:

- (a) The novel features of the Companies Act No. 7 of 2007.
- (b) Common mistake.
- (c) Agency of Necessity.
- (d) Goodwill of a Partnership.

(04 x 05 = 20 marks)