

SOUTH EASTERN UNIVERSITY OF SRI LANKA
SECOND EXAMINATION IN BACHELOR OF SCIENCE IN MANAGEMENT AND
INFORMATION TECHNOLOGY – 2010 / 2011

SEMESTER –I, JULY / AUGUST - 2012

MIT 21023 – BUSINESS LAW

Answer any Five questions

Time: Three Hours

1. “A” and “B” had agreed to buy a land for Rs.2M with a view to resell it at a profit. It was ultimately arranged that “B” should sell it to certain persons for Rs.2.5M and that the profit of Rs.0.5M be equally divided between “A” and “B”. “B” however sold the land for much more than Rs.2.5M to a Company in which he himself had a large interest. Discuss the rights of “A”
2. Enumerates different categories of agents and discuss the legal character of each category.
3. On 2nd of May “A” wrote a letter to “B” offering to sell his car to “B” for Rs.4M. On 12th July “B” replied saying “I accept your offer, but I consider that Rs. 3.5M is enough”. In the meantime on 20th June “A” had sold the car to “C”. “B” seeks your advice. Advice him.
4. Mr. Bernard offers his wife Rs.5000/= per week if she will clean his office regularly. She accepts the offer and has performed her part regularly. But, Mr. Bernard failed to pay the agreed sum. Advice her. Cite case laws.
5. “A” mailed “B” an offer which stated that “it will be open for 10 days “. Two days later “A” mailed “B” another letter stating that the original offer was revoked. That evening “B” Phoned “A” that he accepted the offer. “A” said that he (“B”) could not do so because “A” had mailed him a letter of revocation and that “B” would undoubtedly receive the letter of revocation in the next morning’s mail. Was the offer revoked by “A”. Give reasons. Cite case laws

6. Under what circumstances the court of law strictly follow the Section 18 of the Prevention of Fraud Ordinance (PFO). Cite case laws
7. Under what circumstances a principal ratify the unauthorized acts of his agent. Cite case laws.

Time: Three Hours

"A" and "B" had agreed to buy a land for Rs 2M with a view to resell it at a profit. It was ultimately arranged that "B" should sell it to certain persons for Rs 2.5M and that the profit of Rs 0.5M be equally divided between "A" and "B". "B" however sold the land for much more than Rs 2.5M to a Company in which he himself had a large interest. Discuss the right of "A".

Examine the different categories of agents and discuss the legal character of each category.

On 2nd of May "A" wrote a letter to "B" offering to sell his car to "B" for Rs 4M. On 12th July "B" replied saying "I accept your offer, but I consider that Rs 3.5M is enough". In the meantime on 20th June "A" had sold the car to "C". "B" seeks your advice. Advise him.

Mr. Bernard offers his wife Rs 2000⁰⁰ per week if she will clean his office regularly. She accepts the offer and has performed her part regularly. But Mr. Bernard failed to pay the agreed sum. Advise her. Cite case laws.

"A" mailed "B" an offer which stated that "it will be open for 10 days". Two days later "A" mailed "B" another letter stating that the original offer was revoked. That evening "B" phoned "A" that he accepted the offer. "A" said that he ("B") could not do so because "A" had mailed him a letter of revocation and that "B" would undoubtedly receive the letter of revocation in the next morning's mail. Was the offer revoked by "A". Give reasons. Cite case laws.