

EXAMINER'S REPORT
LEVEL II EXAMINATION - JANUARY 2025
(203) BUSINESS LAW

The Paper, (203) Business Law January 2025 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 OTQs for 25 marks.

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

It was observed that a significant number of candidates failed to provide correct answers to questions **1.9, 1.11, 1.12, 1.13** and **1.14**. Many candidates did not have sufficient knowledge of jurisdiction in fundamental rights cases, blank endorsement, bills of exchange, documents used in international trade and the CIF agreement etc.

Candidates should have a good knowledge of judicial jurisdiction, Sale of Goods Ordinance, Contract Law, International Trade Law and Negotiable Instruments to obtain high marks for the **Section A**.

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

Section - B

Question No. 02

This a fairly simple question related to Law of Insurance.

- (a)** Most of the candidates have identified the principle of insurable interest. Some candidates did not have sufficient understanding that there is no valid insurance contract if there is no insurable interest.

In life insurance, if another person suffers financial loss due to the death of an individual, that person has an insurable interest and the creditor has an insurable interest in the life of the debtor, a significant number of candidates have not recognized.

- (b)** **(i)** and **(ii)** were straightforward theoretical questions to explain the given terms relating to interest. Many candidates were able to identify the principles of utmost good faith and proximate cause well and scored marks for that question.

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

Question No. 03

This question has tested the candidate's knowledge on Intellectual Property Law and Money Laundering Act and it was a straightforward theoretical question.

- (a) This part tested subject knowledge on trade mark. Significant number of candidates have identified the rights enjoyed by the owner of a registered trade mark.
- (b) This part tested subject knowledge of patent law and checked the candidates knowledge on the inventions which are not patentable as per Intellectual Property Act. It was noted that most of the candidates do not have a proper understanding of patent law and provided irrelevant answers.
- (c) This part tested about money laundering Act and identified illegal activities as defined in the Prevention of Money Laundering Act.

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

Question No. 04

The questions was related to Sale of Goods Ordinance.

- (a) Most of the candidates have identified the implied condition of "The goods must correspond to the description". But although the students were expected to write their answers based on the Direct Sale of Goods Ordinance, a significant number of students were observed writing their answers based on legal contexts such as consumer affairs laws and fundamental rights.
- (b) The implied terms set out in the Sale of Goods Ordinance were correctly stated by most of the candidates and earned full marks.

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

Question No. 05

The questions was a fairly simple question related to labour laws

- (a) It was observed that many candidates were knowledgeable about the difference between an employee and an independent contractor. Most of the candidates attempted this question and provided answers to a satisfactory level. Most of them have systematically constructed the answer based on the testing methods used in labor law.
- (b) Although, it was observed that most of the candidates answered this section with understanding, some candidates were confused in identifying EPF, ETF and Gratuity. Therefore, they have not clearly stated the main functions of the ETF.

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

Question No. 06

This was a challenging question related to the Companies Act.

- (a) This part tested subject knowledge of Articles of Association, the objects of the company, the responsibilities and duties of the directors, the company's disputes and their resolution through arbitration, etc. Most of the candidates had failed to obtain full marks for this question.

Candidates were expected to provide answers to this question in accordance with Sections 188, 17(3) of the Companies Act. It was observed that the doctrine of *ultra vires* of the Companies Act No.07 of 2007 were difficult for many candidates to understand.

- (b) Most of the candidates have knowledge of the duties of directors under the Companies Act.

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

Section - C

Question No. 07

This question was comprised of 2 parts.

Part (A)

This part was based on Law of Contract.

- (a) The majority of candidates answered correctly on the theoretical aspects of defining an offer, communicating an offer.
- (b) Most of the candidates have given correct answers for this part. The majority of the candidates identified the application of the postal rule in contract law.
- (c) Most of the candidates have provided correct answers for this part of the question. Some candidates have identified and answered that in unilateral contracts made public, acceptance occurs by performing those tasks.

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

Part (B)

This part was based on Law of Agency.

- (a) Most of the candidates have adequate knowledge about the duties of an agent and answered question well.
- (b) Most of the candidates attempted this question and provided answers to a satisfactory level.

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

As a whole performance for this paper was good. Most of the candidates have earned marks above average level for the whole paper. It was observed that candidates answers for the questions allotted low marks were too long. It was generally observed that candidates need to be more knowledgeable in each area and answer by following the guidelines on the question paper. Another observation is candidates attempted to re write question as an answer.

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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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