Association of Accounting Technicians of Sri Lanka

Level II Examination – July 2026

Question Paper & Suggested Answers

(2803) BUSINESS LAW (BLA)

Association of Accounting Technicians of Sri Lanka
No.540,Ven. Muruththettuve Ananda Nahimi Mawatha,
Narahenpita, Colombo 05.
Tel : 011-2-559 669

A publication of the Education and Training Division

THE ASSOCIATION OF ACCOUNTING TECHNICIANS OF SRI LANKA

Level II Examination – July 2026

(2803) BUSINESS LAW

SUGGESTED ANSWERS

(Total 25 Marks) **SECTION - A**

Suggested Answers to Question One:

1.1 (2)

1.2 (4)

1.3 (1)

1.4 (3)

1.5 (2)

1.6 (4)

(02 marks each, 12 marks)

1.7 True

1.8 False

1.9 True

(01 mark each, 03 marks)

1.10 *Any two of the followings*

- Agreement between two or more persons.
- Carrying on a business.
- Intention to make profits.
- Mutual agency.

1.11

- Subject Matter Must Be Goods
- Transfer or Agreement to Transfer Ownership
- Money Consideration (Price)

1.12 *Any two of the followings*

- The bill is complete and regular on the face of it
- The bill is not overdue
- Has taken the bill without notice that it had been previously dishonored
- Has taken it for valuable consideration
- Has taken it in good faith

- Has taken it without knowing that there is a defect in the title of the person who negotiated it

1.13 *Any two of the followings*

- Strengthening Anti Money Laundering and Countering the Financing of Terrorism (AML / CFT) activities in Sri Lanka.
- Collecting, receiving, analyzing information to prevent money laundering and financing of terrorists and advising related authorities.
- Upgrading compliance status of Sri Lanka to the internationally accepted level.
- Strengthen the co-operation with international organizations and implementation of international recommendations/ best practices on Anti Money Laundering and Countering the Financing of Terrorism.
- Improving public awareness about money laundering and terrorist financing activities

1.14 *Any two of the followings*

- **Drawer**
- **Drawee**
- **Payee**

(02 marks each, 10 marks)

(Total 25 marks)

End of Section A

Suggested Answers to Question Two:

Chapter 09 – Offences Related to the Business Environment

(a) The main type of intellectual property involved in this scenario is Copyright.

Examples:

- Books, pamphlets, articles, computer programs, and other writings.
- Speeches, lectures, addresses, sermons, and other oral works.
- Dramatic, dramatic musical works, pantomimes, choreographic works, and other works created for stage productions.
- Stage production of works listed above and expression of folklore that are apt for such productions.
- Musical works with or without accompanying words.
- Audio visual works.
- Architectural works.
- Works of drawing, painting, sculpture, engraving, lithography, tapestry, and other works of fine art.
- Photographic works.
- Works of applied sciences.
- Illustrations, maps, plans, sketches, and three-dimensional works relative to geography, topography, architecture, or science

(Expect only 02 examples)
(04 marks)

(b)

Under copyright law as set out in the Intellectual Property Act No. 36 of 2003, copyright interpretation establishes that original literary, artistic, or scientific creations are automatically protected from the exact moment of their creation, without requiring any formal registration or procedural filings. The statutory regime divides copyright protection into two primary sets of rights: economic rights and moral rights. Economic rights grant the author the exclusive entitlement over the reproduction of the work, the sale or lease of the work, distribution, translation, and communicating the work to the public. Moral rights entitle the author to protection against any distortion, mutilation, or other modifications of, or other derogatory action in relation to, their work that would be prejudicial to their honor or reputation. As a general rule, these rights protect the creator throughout their entire lifetime and continue for a further period of seventy years after their death.

Applying this theoretical framework to the case, **Nethmi** created the texts, diagrams, and summary tables herself, which automatically vests complete copyright ownership in her from the time of creation. When **Saman** purchased one PDF copy, he merely obtained a single personal reference license; acquiring a single digital file does not transfer copyright ownership or grant commercial reproduction and distribution rights. By printing 200 physical copies to sell as course notes and uploading the full PDF to his student portal for widespread student downloading, **Saman** directly infringed upon **Nethmi**'s exclusive economic rights of reproduction, distribution, sale, and communicating the work to the public. Furthermore, by removing **Nethmi**'s name and watermark and substituting his own institute's logo, **Saman** committed an unauthorized alteration of her creation, thereby committing a severe infringement of her statutory moral rights to claim authorship and prevent prejudicial modification of her work.

To seek legal redress, **Nethmi** can institute civil proceedings against **Saman** in the Commercial High Court (the High Court of the Province exercising civil jurisdiction under the Intellectual Property Act No. 36 of 2003). There is a full legal possibility of recovering monetary damages through this court action. The Commercial High Court has the statutory power to issue an injunction restraining **Saman** from further distribution, order the impounding and destruction of the 200 unauthorized copies, and award compensation and damages for the financial loss **Nethmi** suffered as well as any unfair profits **Saman** earned through the unauthorized sale of her work.

In conclusion, **Nethmi** will successfully win her legal action against **Saman** in the Commercial High Court with a strong right to claim monetary damages. **Saman**'s defence that purchasing a single PDF entitles him to copy and distribute it to his students has no legal standing, and his conduct constitutes clear, actionable infringements of both **Nethmi**'s statutory economic and moral rights under the law.

(06 marks)

(Total 10 marks)

Suggested Answers to Question Three:

Chapter 05 – Corporate Law

(a) According to Section 186 and the 6th Schedule of the Companies Act, any four of the following powers of directors may not be delegated:

- Issue of shares
- Consideration for issue of shares
- Distribution
- Reduction of stated capital
- Redemption option of company
- Restrictions on giving financial assistance
- Change of registered office
- Approval of amalgamation proposal
- Power of board to appoint administrator

(Expect only 04 powers)
(04 marks)

(b)

- Duty of directors to act in good faith and in the interests of company *(section 187)*
- Duty of directors to comply with Act and Articles of Association of the company *(section 188)*
- Duty to exercise the degree of skill and care that may reasonably be expected of a person of his knowledge and experience and shall not act in a manner which is reckless or grossly negligent *(section 189)*
- Duty to disclose interests *(section 192)*
- Duty not to disclose company information *(section 197)*
- Duty to disclosure of share dealing by directors *(section 200)*

(Expect only 03 duties)
(03 marks)

(c) **Separate Legal Personality** is a fundamental characteristic of a company recognized under Section 02 of the Companies Act No. 07 of 2007, establishing that a company is a completely distinct legal entity independent from its members, shareholders, directors, and employees. As a distinct person in the eyes of the law, the company exists in its own right and possesses the capacity to conduct business operations, enter into contracts, acquire and own property, sue and be sued, and obtain insurance under its own name. Consequently, as provided by Section 87 of the Act, shareholders are not personally liable for any obligation, default, or act of the company simply by reason of holding shares. This core principle was affirmed in the landmark case of *Salomon v. Salomon & Co. Ltd.*, which established that an incorporated company is separate from its controller.

(03 marks)

(Total 10 marks)

Suggested Answers to Question Four:

Chapter 07 – Labour Law

(a)

Based on the legal principles governing the contract of employment, **Nimal**'s working relationship with **City Care Hospital (Pvt) Ltd.** can be evaluated under the three required tests to determine whether he is an employee under a contract of service or an independent contractor under a contract for service.

Under the Control Test, a worker is recognized as an employee if the employer exercises administrative authority and control over the manner, discipline, and timing of the work performed, including fixed working hours, duty rosters, and performance oversight. **Nimal** is required by his written agreement to report to the hospital's IT office before 8:30 a.m. on weekdays, adhere strictly to the duty roster issued by the IT Manager, and face potential termination if his performance is deemed unsatisfactory. This high level of direct control over his daily routine and work schedule demonstrates that **Nimal** operates under the authority of the hospital rather than working independently.

Under the Equipment Test, the ownership of work tools and the responsibility for operational expenses serve as key indicators of legal status, where an independent contractor typically invests in their own tools and bears financial risk, whereas an employee relies on the employer to provide necessary assets. **City Care Hospital** provides **Nimal** with all the required resources to carry out his duties, including laptops, access cards, and software licenses, while also bearing all related operational expenses. Because **Nimal** makes no capital investment in his equipment and incurs no financial risk for purchasing these tools, this test further supports his classification as an employee.

Under the Integration Test, a worker is classified as an employee if their work forms an integral, essential part of the employer's core business operations rather than functioning as an accessory or independent external service. **Nimal**'s primary duties involve maintaining the hospital network, troubleshooting computer hardware, and assisting medical and administrative staff with system access issues. Given that modern healthcare facilities rely continuously on operational IT networks and software systems to deliver patient care, **Nimal**'s services are fully integrated into the daily running of the hospital. Moreover, his agreement explicitly requires him to perform work assigned "for the benefit of the hospital," confirming that his function is an essential internal component of the organization rather than a self-contained, independent enterprise.

<u>In modern labor jurisprudence</u>, courts do not rely exclusively on a single test but instead apply an integrated model, also known as the multiple or mixed test, which evaluates control, provision of equipment, business integration, and economic reality collectively. This approach aligns with recent trends and established judicial precedent, such as **<u>Sri Lanka Insurance Corporation</u> v. <u>A.C.R. Wijesundara</u>** where the Supreme Court held that an individual required to report by a fixed time, perform duties for the benefit of the organization using company-provided resources, and participate in core operations was an employee under a contract of service. Applying this integrated model to **Nimal**'s situation, considering his fixed 8:30 a.m. reporting time, reliance on hospital-provided laptops and software licenses, and full integration into essential IT operations, leads to the definitive conclusion that **Nimal** is an employee under a contract of service, rendering **City Care Hospital**'s assertion that he is an independent contractor legally untenable.

(06 marks)

(b) The following types of persons or employees are not covered under the Employees' Provident Fund (EPF) Act No. 15 of 1958:

1. Government employees
2. Partners of a Partnership
3. Non-performing Directors
4. Contributors to an approved Provident Fund (e.g., University Provident Fund)
5. Family members
6. Persons below 14 years of age

(Expect only 04 types of persons)

(04 marks)

(Total 10 marks)

Suggested Answers to Question Five:

Chapter 08 – Insurance Law

(a) **Razeen is not entitled** to claim Rs. 10 million from both insurance companies.

Under the **Principle of Indemnity** in insurance law, an insured person is entitled to be restored to the same financial position they occupied immediately before the loss occurred. Insurance cannot be a source of profit or financial gain.

Since the total financial loss resulting from the fire is **Rs. 10 million**, the maximum aggregate amount Razeen can recover from both insurers combined is limited to Rs. 10 million.

Because Razeen insured the house with two separate insurers (Double Insurance), the loss must be shared proportionally between the two companies under the **Principle of Contribution**.

The contribution share of each company is calculated as follows:

- **Shakthi Insurance Ltd. liability:**

$$\text{`RS 10 million} \times \frac{25}{55} = \text{Rs 4.55 Mn}$$

- **PQR Insurance Ltd. liability:**

$$\text{`RS 10 million} \times \frac{30}{55} = \text{Rs 5.45 Mn}$$

(06 marks)

(b)

- Intention to create a legal obligation
- Insurance offer or proposal
- Acceptance
- Legal validity
- Competent parties
- Consideration

(Expect only 04 elements)
(04 marks)
(Total 10 marks)

Suggested Answers to Question Six:

Chapter 03 – The Law of Sales of Goods

(a)

Under Section 02 of the Sale of Goods Ordinance No. 11 of 1896, a contract of sale of goods is a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for money consideration called a price. In every contract for the sale of goods, the Ordinance annexes statutory implied conditions unless the parties explicitly agree otherwise. Based on the facts, **Nimal** has committed breaches of three major implied conditions

Breach of Implied Condition as to Sale by Description (Section 14)

Under **Section 14** of the **Sale of Goods Ordinance No. 11 of 1896**, where there is a contract for the sale of goods by description, there is an implied condition that the goods delivered shall correspond with the description given. The rule applies whenever goods are described by the seller and relied upon by the buyer, whether the goods are inspected or not. The delivered goods must strictly match the identity, state, quality, and packaging as represented.

Varley v Whip: The seller described a second-hand reaping machine as being nearly new, used only once, and in good working condition. The buyer purchased it relying on this description without seeing it. Upon delivery, it was found to be very old and badly worn. The court held that the goods did not correspond with the description, entitling the buyer to reject the machine and rescind the contract.

Nimal expressly stated to **Tharindu** that the charger was **"brand new, original, and safe for fast charging."** . However, **Tharindu** discovered after purchase that **Nimal** had sold a **"used, repackaged charger"** and a **"low-quality counterfeit.** Applying ***Varley v Whip*** and ***Beale v Taylor***, **Nimal's** statements formed the contractual description of the item. Because the charger delivered was a used, counterfeit item rather than a brand-new, original one, there is a total failure to correspond with the description. Therefore, **Nimal** is in direct breach of **Section 14**.

Breach of Implied Condition as to Fitness for Purpose (Section 15(1))

Under **Section 15(1)** of the **Sale of Goods Ordinance No. 11 of 1896**, where the buyer, expressly or by implication, makes known to the seller the particular purpose for which the goods are required, showing that the buyer relies on the seller's skill or judgment, and the seller deals in goods of that description in the ordinary course of business, there is an implied condition that the goods shall be reasonably fit for that specific purpose.

Baldry v Marshall: The buyer asked the seller to supply a comfortable car suitable for touring. The seller recommended a **Bugatti** sports car, which turned out to be unsuitable for touring purposes. The court held that the buyer relied on the seller's skill and judgment, and the seller was in breach of the implied condition of fitness for purpose.

Tharindu visited **"Nimal Tech"** specifically to buy a charger suitable for his laptop model. He implicitly and expressly made known his requirement to **Nimal**, who recommended a specific charger and assured him it was **"safe for fast charging."Tharindu** relied on **Nimal's** trade expertise, and **Nimal** sells tech equipment in the ordinary course of business.The charger overheated on the first night and destroyed the laptop battery, while a technician confirmed it was not suitable for the laptop model. Applying ***Baldry v Marshall*** and ***Grant v Australian***

Knitting Mills Company, the charger was completely unfit for the intended purpose, placing **Nimal** in breach of **Section 15(1)**.

Breach of Implied Condition as to Merchantable Quality (Section 15(2))

Under **Section 15(2)** of the **Sale of Goods Ordinance No. 11 of 1896**, where goods are bought by description from a seller who deals in goods of that description, there is an implied condition that the goods shall be of merchantable quality. "Merchantable quality" means that the goods must be free from hidden defects and reasonably fit for the ordinary purposes for which such goods are used, taking into account their description and price.

G. W. P. Gunawardena v Ceylon Steel Corporation Oruwala A machine purchased to boil and dry paddy did not function properly, resulting in spoiled rice with altered color and impurities. The court held that the machine was not of merchantable quality, as it failed to perform its basic ordinary function.

Tharindu bought the charger by description from **"Nimal Tech"**, a business that regularly deals in such technology goods.A basic requirement of merchantable quality for an electronic charger is that it must safely conduct electricity without overheating or damaging connected devices. The technician confirmed that the item was a **"low-quality counterfeit."**Applying ***G. W. P. Gunawardena v Ceylon Steel Corporation Oruwala*** and ***Wren v Holt***, a counterfeit charger that overheats and burns out a laptop battery possesses a severe latent defect and lacks merchantable quality. Thus, **Nimal** breached **Section 15(2)**.

Because **Nimal** has breached statutory **implied conditions** (which touch the very foundation of the contract) rather than mere warranties, **Tharindu** is entitled to two major remedies under the law:

Nimal is in direct breach of the implied conditions of description, fitness for purpose, and merchantable quality under **Sections 14, 15(1), and 15(2)** of the **Sale of Goods Ordinance No. 11 of 1896**. Consequently, **Tharindu** is legally entitled to **reject the counterfeit charger, claim a full refund of his money, and recover damages from Nimal to cover the repair or replacement costs of his laptop battery.**

(06 marks)

(b)

- **Right to Sell (Section 13(a)):** There is an implied condition that the seller has the legal right to sell the goods, or will have the right to sell them when ownership is to pass.
- **Sale by Description (Section 14):** Where goods are sold by description, there is an implied condition that the delivered goods shall strictly match that description.
- **Fitness for Purpose (Section 15(1)):** Where a buyer relies on the seller's expertise for a specific purpose, there is an implied condition that the goods supplied shall be reasonably fit for that purpose.
- **Merchantable Quality (Section 15(2)):** Where goods are bought by description from a commercial seller, there is an implied condition that they are of merchantable quality and free from hidden defects for ordinary use.
- **Sale by Sample (Section 16(1)):** Where goods are sold by sample, there is an implied condition that the bulk shall correspond with the sample in quality and be free from unexaminable defects

(04 marks)

(Total 10 marks)

End of Section B

(Total 25 Marks) **SECTION - C**

Suggested Answers to Question Seven:

Chapter 02 – Contract Law

(A)

(a)

- The offer
- The acceptance
- The consideration
- The intention to create a legal relationship
- Contractual capacity of parties
- The legality of the object
- The genuineness of the consent
- The accordance with the formalities required by the law

(Expect only 04 elements)

(04 marks)

(b) To determine whether Susila can take legal action against **Fernando**, the key legal issue is whether a valid offer was ever communicated to her. Under contract law, for an offer to be legally effective, it must be communicated to the offeree prior to acceptance, as valid acceptance requires both intention and awareness. This fundamental principle was established in ***Bloom v. American Swiss Watch Company***. In that case, following a robbery at a jewellery shop, the owner published a public notice offering a reward to anyone who provided information leading to the capture of the thieves. **Mr. Bloom**, who witnessed the robbery, provided information to the police, but at the time he gave the information, he was completely unaware of the reward notice. Upon later learning about the notice, he attempted to claim the reward money, but the court held that no valid contract had been formed because he was unaware of the offer at the time he performed the act, meaning he had no legal right to claim the reward.

Applying these principles to the scenario, **Fernando** verbally instructed his assistant, **Piyumi**, to inform **Susila** of the offer to sell the rare antique table for Rs. 200,000/-. However, because **Piyumi** forgot to convey the message, **Susila** remained completely unaware of the offer. Since the offer was never communicated to **Susila**, no offer existed in law for her to accept. In the absence of both an offer and an acceptance, no binding contract was ever created between **Fernando** and **Susila**. Consequently, **Susila** cannot take successful legal action against **Fernando**, as he is under no legal obligation to sell her the table or pay damages.

(06 marks)

(c)

To determine whether **Malani's** acceptance forms a valid contract, the key legal issue is the application of the **Postal Acceptance Rule** (or Postal Rule). Under general contract law principles, an acceptance must be communicated to the offeror to become effective and create a binding contract. However, the Postal Rule acts as a major legal exception when the parties use or contemplate the post as the mode of communication. Under this rule, established in ***Adams v. Lindsell***, where an offer is made by post or post is the reasonable means of communication, the acceptance is legally complete and forms a binding contract **at the exact moment the letter of acceptance is posted** by the offeree, provided it is properly stamped and addressed. The contract is concluded upon posting regardless of whether the letter is delayed, lost, or received later by the offeror.

Analyzing the timeline of the scenario date by date:

- **01st March: Fernando** posts a letter offering to sell the vintage cabinet to **Malani** for Rs. 50,000/-, thereby initiating the proposal by post and impliedly authorizing **Malani** to reply via the same medium.
- **04th March: Malani** receives the offer letter in the post.
- **05th March: Malani** posts her letter of acceptance. Under the Postal Acceptance Rule, **a valid and binding contract is legally formed on this exact date (05th March)** the moment the letter enters the postal system, even though **Fernando** has not yet read or received it.
- **06th March: Fernando** sells the vintage cabinet to another buyer. Since a legally binding contract was already in existence between **Fernando** and **Malani** as of 05th March, **Fernando** committed a breach of contract by selling the item to a third party.
- **08th March: Fernando** receives **Malani's** acceptance letter. In law, the date of receipt is irrelevant because the contract was already legally concluded three days prior.

in the scenario involving **Fernando** and **Malani**, the **Postal Acceptance Rule** (***Adams v. Lindsell***) dictates that acceptance takes effect at the exact moment a letter is posted. Because **Malani** posted her acceptance on **05th March**, a binding contract came into existence on that date, making **Fernando's** sale of the vintage cabinet to another buyer on **06th March** a direct breach of contract for which **Malani** can take legal action, notwithstanding that **Fernando** received her letter on **08th March**.

(05 marks)

(B)

(a)

The Law of Agency is recognized as a fiduciary relationship between two parties, whereby the principal authorizes the agent to act on his behalf and assist in entering into legal contracts with third parties, based on the Latin maxim *"Qui facit per alium, facit per se"* ("He who acts through another does the act himself"). Under common law principles, an agent owes strict fiduciary and legal obligations to the principal. we can recognize that the following duties of the agent have been breached by **Nihal**

Duty to Comply with the Instructions Given by the Principal

Nihal breached his duty to comply with the instructions given by the principal, which requires an agent to strictly carry out all reasonable and lawful orders issued by the principal, rendering the agent personally liable for any resulting loss if he acts contrary to those express instructions. This principle was clearly established in *Turpin* v. *Bilton*, where an agent was authorized by the principal to insure a vessel, but the agent failed to insure the vessel in pursuance of those instructions; when the vessel was subsequently shipwrecked, the court held that the agent was bound to compensate the principal for the loss suffered. Similarly, in *Ferress* v. *Robins*, the principal instructed an auctioneer agent to sell goods for cash, but the agent sold the goods on a Bill of Exchange which was dishonored, leading the court to find the agent liable for acting contrary to his express authority. In the given factual scenario, **Ranjith** explicitly instructed **Nihal** to purchase genuine spare parts only from approved suppliers and not to exceed a budget of Rs. 20 million; however, **Nihal** entered into a contract with a new supplier who was not on the approved list, directly violating **Ranjith's** express instructions and exceeding his actual authority.

Duty of Care and Skill

Nihal also breached his duty of care and skill, which dictates that every agent is expected to exercise due care and skill when acting on behalf of the principal, measured by an objective standard of a reasonable person in the same class or profession. In *Keppel* v. *Wheeler,* the agent was employed to find a buyer for a property and communicated a high bid to the principal, but when he later received a higher offer from another potential buyer exceeding the previous bid, he neglected to inform the principal; the court held that the agent failed to live up to the required standard of reasonable care. Furthermore, in *Chaudhry* v. *Prabhakar*, the defendant recommended a car to the plaintiff without checking its history, and after the plaintiff purchased it and discovered it was severely damaged, the court found the defendant liable for negligence for failing to exercise reasonable care despite acting gratuitously. Factually, **Nihal** acted negligently by entering into an Rs. 18 million contract with an unapproved supplier based merely on the supplier's unverified oral claims without checking or verifying the authenticity of the spare parts, which directly led to the arrival of inferior and non-genuine parts that damaged **Ranjith's** business reputation and caused financial loss.

Duty to Disclose Material Facts and Seek Instructions

Finally, **Nihal** breached his duty to disclose material facts and seek revised instructions from the principal when an unexpected situation arose. Under agency law, an agent is legally bound to communicate with the principal to obtain instructions when faced with a material change in circumstances rather than taking unauthorized unilateral actions. This duty is illustrated in *Springe*r v. *Great Western Railway*, where a railway company was appointed to transport a cargo of imported tomatoes to the owner's premises, but because the ship arrived late and the tomatoes were fast perishing, the railway company sold them at a lower price without communicating with the owner; the court held that because the railway company knew the owner's location, their best course of action was to seek instructions from the owner, and failing to do so rendered them liable to compensate the owner for the loss. In this instance, when offered a discounted deal by a non-approved supplier, **Nihal** was under an obligation to inform **Ranjith** about the new supplier's offer and obtain his express consent or revised authority before signing; by entering into the contract without informing Ranjith or disclosing the material facts of the transaction, **Nihal** committed a severe breach of his fiduciary obligation.

(06 marks)

(b)

- **Action for Damages (Compensation for Loss):** Ranjith can sue Nihal for breach of contract and negligence under the Law of Agency (*Keppel v. Wheeler*). This allows Ranjith to recover:

Direct financial losses incurred from purchasing inferior quality spare parts.

Consequential damages arising from the damage caused to his business reputation.

- **Right to Refuse Payment of Remuneration / Commission:** An agent who commits a serious breach of duty or acts negligently forfeits the right to claim remuneration. Ranjith has the legal right to withhold or recover any commission, fee, or payment agreed upon for Nihal's services.
- **Right to Claim Indemnity / Recovery from Agent:** Because Nihal exceeded his express actual authority by contracting with an unapproved supplier, Ranjith can hold Nihal personally liable to indemnify him against any financial liabilities or losses arising out of that unauthorized contract.
- **Right to Dismiss / Terminate the Agency:** Ranjith can immediately terminate the agency relationship with Nihal without notice on the grounds of a fundamental breach of trust and duty

(04 marks)

(Total 25 marks)

End of Section C

Notice:

These answers compiled and issued by the Education and Training Division of AAT Sri Lanka constitute part and parcel of study material for AAT students.
These should be understood as Suggested Answers to question set at AAT Examinations and should not be construed as the "Only" answers, or, for that matter even as "Model Answers". The fundamental objective of this publication is to add completeness to its series of study texts, designs especially for the benefit of those students who are engaged in self-studies. These are intended to assist them with the exploration of the relevant subject matter and further enhance their understanding as well as stay relevant in the art of answering questions at examination level.

aat SRI LANKA