

EXAMINER'S REPORT**AA2 EXAMINATION - JANUARY 2020****(AA25) BUSINESS LAW AND ETHICS**

Section - A**Question No. 01**

This question consists of 10 OTQs. for 20 marks.

This question had been attempted by almost all the candidates. Most of the candidates had obtained higher marks out of total marks allocated to this question.

It was noted that a considerable number of candidates had failed to answer correctly for the question no. 1.9 This question tested the knowledge on functions of Securities and Exchange Commission.

Average number of candidates had not written answers for this question. Some of candidates had given answers which were totally irrelevant for the question.

Candidates should have a good understanding on laws and regulatory framework of Sri Lanka. A thorough knowledge on International trade, Contract law, sale of goods ordinance, etc. can be obtained by studying the study text and it would help to obtain high marks for the section A. because it contributes massively to reach the pass mark.

As a whole, performance for this question was satisfactory.

Section - B**Question No. 02**

This question is based on Partnership law and it was tested the duties and responsibilities of partners with regard to given scenario. Most of the candidates had understood this question and explained the **Soysa's** duties and **Perera's** legal rights. Only few candidates did not give the correct answer.

As a whole, performance for this question was satisfactory.

Question No. 03

This question is a straightforward theoretical question. This question tested the knowledge on Ethical guidelines in relation to Accountant's profession. This question was directly tested from study text but most of the candidates had not attempted. This shows that candidates had not referred the study text well before sitting the examination.

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

Question No. 04

This is a fairly simple straightforward question in relation to International trade and it was tested the functions of the bill of lading. Few candidates had written correct answers. However, without reading the question properly, some candidates had written the definition of bill of lading and some of the students had not attempted to this question.

As a whole, performance for this question is not satisfactory.

Question No. 05

This question tested the knowledge on law of agency. Most of the candidates had attempted this question and provided ways that principal and agent relationship can be created and obtained full marks.

As a whole, performance for this question was satisfactory.

Question No. 06

This question directly tested from study text. Majority of students had not understood the question which was asked on requirements to be fulfilled to become a holder in due course of a bill. However, some candidates had written what is meant by bill, uses of a bill etc. without considering what is asked by the question.

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

Section - C

Question No. 07

This question tested the knowledge on law of Insurance. Most candidates had applied their theoretical knowledge for **part (a)** and **part (b)** of this Scenario and obtained full marks.

As a whole, performance for this question was satisfactory.

Question No. 08

This is a fairly simple question related to labour law.

Part (a): Most candidates had not attempted to this question and some candidates had written irrelevant answers.

Part (b): This part is based on calculation of gratuity. Almost all the candidates had done correct computation.

As a whole, performance for this question was average.

Question No. 09

This is a fairly simple straightforward question related to Money Laundering and Intellectual Property.

Part (a): Considerable number of candidates had given correct answer for this part. Some candidates had written one/two points in several ways as an answer and they could not get full marks allocated for the question.

Part (b): This is based on Intellectual Property Ordinance. Almost all the candidates had explained the terms of marks and trade names.

As a whole, performance for this question was satisfactory.

Section - C

Question No. 10

This question consists of two parts.

Part A: This part was based on contract law.

(a) Majority of candidates had mentioned that there was no valid contract since there was not an offer and that was related to an invitation to treat.

(b) Considerable number of candidates had given irrelevant answers and they had not recognized the core concept of misrepresentation with regard to contract law. But some of the candidates had explained correct answer as that Sara can claim damages from the travel company.

As a whole performance for this part of the question was average.

Part (B) of this question was based on sale of goods ordinance.

This scenario is based on one of the implied conditions of sale of goods ordinance which is, "the seller should have due right to sell".

Majority of candidates had identified this condition and explained well.

As a whole, performance for this part of the question was satisfactory.

Common facts to be considered in order to improve the competency of candidates:

- (1) Study the syllabus completely and pay high concentration on 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 the knowledge by referring past papers and suggested answers.
- (9) There should be Proper time management.
- (10) Properly check whether the question numbers and index number had been recorded correctly before handing over the answer script.
- (11) Sit for the exam with prior preparation and an utmost expectation of pass the exam.

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