

EXAMINER'S REPORT
LEVEL II EXAMINATION - JULY 2022
(203) BUSINESS LAW

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 to this question. Some candidates have scored more than 20 marks of the total marks allocated to this question.

It was noted that a considerable number of candidates have failed to answer correctly the question no **1.14**. Most of the candidates had no knowledge regarding insider dealing in the stock market. Some candidates have failed to answer correctly the question **1.11**. However, considerable number of candidates have answered correctly this question. Question no **1.13** is a very simple question. But some candidates have given various answers. Other questions have been answered satisfactory.

This question has contributed massively to reach the pass mark.

Candidates should have a good knowledge on the overall content of the syllabus including Civil Law, Sale of Goods Ordinance, Muslim Law, Contract Law, International Law, Labour Law and Commercial Law 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 question is based on Sale of Goods Ordinance. This scenario is based on implied conditions in the law of sale of goods.

Most candidates have provided correct answers for **part (a)** and recognized relevant implied condition. i.e the fact that **James** has no title to the lorry as the true owner was **Peter**. As per the Sale of Goods Ordinance, there is an implied condition that seller should have a right to sell the goods at the time when the property is to pass. However, some candidates have provided incorrect answers.

Part (b) tested types of goods under the Sale of Goods Ordinance. Most candidates have provided correct answers for **part (b)**.

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

Question No. 03

This question tested the knowledge of Company Law. This is a fairly simple question related to company law. From **part (a)** of this question, it was required to state 4 qualifications required to be fulfilled to become a Director. However, in the company law, it discussed the disqualifications of a Director. Some candidates have mentioned qualifications and some others have mentioned disqualifications. Answers, given in any suitable method has been considered in awarding marks.

For **Part (b)** of this question, most of the candidates have provided correct answers. From **part (b)** it was required to list main duties of a director under the Company's Act.

From **Part (c)** of this question it was required to state the minimum number of directors required for a private company. Some candidates have provided correct answers.

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

Question No. 04

This question is based on Consumer Affairs Authority Act. Most of the candidates have attempted this question and provided correct answers for **part (a)**. Few candidates have failed to provide correct answers for **part (a)** due to not studying the relevant Act properly. Most candidates have failed to provide correct answers for **part (b)** as well. As a whole, performance for this question is not that satisfactory.

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

Question No. 05

This question is based on the negotiable instruments. **Part (a)** of this question required to explain the responsibility of the bank regarding the given scenario. Candidates should understand that a crossed cheque cannot be encashed over the counter. Also, when the cheque has been written incorrectly, the bank has the authority to dishonor it. **Part (b)** required to explain the difference between "*a General Crossing*" and "*a Special Crossing*". Most of the candidates have attempted this question and provided correct answers for **part (a)** and **part (b)**. However, few candidates have failed to provide correct answers for **part (a)** and **part (b)**. It was observed that most candidates had adequate knowledge on negotiable instrument.

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

Question No. 06

This question tested the knowledge of law of insurance. This is a fairly simple question related to law of insurance. **Part (a)** required to explain whether **Apeksha's** dependent can claim compensation under the life insurance. **Part (b)** required to state 3 main elements of a contract of an insurance. Most candidates have attempted this question and provided correct answers for **Part(a)**. They have correctly understood that since **Apeksha** has violated the principle of utmost good faith at the time of applying for the insurance cover, her dependents will not get compensation under her life insurance policy. Though, **Part (b)** of this question was fairly easy, some candidates have misunderstood the same. They have mentioned parties to an insurance contract.

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

Section - C

Question No. 07

This question comprised of two parts.

(A) This part is based on Law of Contracts:

- (a)** Ways of termination of the offer have been tested. It was noted that though most of them have identified the methods, they were unable to explain those. However, most candidates have provided correct answers and were able to obtain marks allocated.
- (b)** Most candidates have failed to provide correct answers. For a valid contract to be created, offer and acceptance should be formally made. Whereas in this case, it has not been happened.
- (c)** Most candidates have failed to provide correct answers. They correctly understood that, since there is a counter offer, there is no any valid contract that existed.

As a whole, performance for this part was at an unsatisfactory level.

(B) This part is based on law of Agency:

- (a)** This part required to explain the duties of **Veena** regarding **Kathy** under the law of Agency. Being an employee of **Kathy**, **Veena** is an agent of **Kathy** and it is the duty of **Veena** to maintain the confidentiality of the information that she has obtained through the agency. However, candidates were managed to answer this question properly.
- (b)** This part required to discuss the rights and duties between **Kathy** and **Tony** under the Law of Agency. However, due to not disclosing regarding the new buyer who wish to buy the property at higher price, **Tony** has not comply with the instruction provided by the principal. Accordingly, he has violated the duty of care as an agent. However, majority of the candidates were unable to explain these facts correctly.

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

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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