

**EASTERN UNIVERSITY, SRI LANKA**

**FACULTY OF COMMERCE AND MANAGEMENT**

**SECOND YEAR FIRST SEMESTER EXAMINATION IN BACHELOR OF  
BUSINESS ADMINISTRATION HONS / BACHELOR OF COMMERCE HONS  
(2019/ 2020) PROPER/ REPEAT (JULY/AUGUST 2022)**

**COM 2042 BUSINESS LAW**

**Answer All Questions.**

**Time Allowed: 02 Hours**

**Write a note on the following questions with examples and decided case law.**

**Question I**

1. What is contract and what are the main elements to be fulfilled in order to create a valid contract? Explain.  
**(09 Marks)**
2. When an offer is addressed to the public (world) at large? Cite appropriate case law.  
**(06 Marks)**
3. Explain the types of mistakes? Explain them with case law.  
**(10 Marks)**

**(Total 25 Marks)**

**Question II**

1. Explain domestic and social contract with case law.  
**(10 Marks)**
2. Write a note on illegal contract?  
**(07 Marks)**
3. What is the difference between warranty and condition?  
**(08 Marks)**

**(Total 25 Marks)**

**Question III**

1. List out the duties of an agent and explain them with case law.  
**(10 Marks)**
2. What is agency by necessity? Explain.  
**(08 Marks)**

3. What is principle of “*uberrimefidei*”? Explain it with case law.

(07 M

(Total 25 M

#### Question IV

1. What is exemption clause? Explain it with case law.

(09 M

2. Explain the procedure to incorporate a company under the Companies Act of 2007.

(08 M

3. How a partnership can be discharged?

(08 M

(Total 25 M

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