



**INSTITUTE OF HUMAN RESOURCE ADVANCEMENT**  
**UNIVERSITY OF COLOMBO, SRI LANKA**  
**Masters Degree in Business Management - Course No.02**  
**1<sup>st</sup> Semester Examination**  
(Held in December, 2013)  
**MBM 04 – Management Environment & Business Law**

**Instructions to the Candidates**

- (1) Total number of pages – Two (02)
- (2) Total number of questions – Seven (07)
- (3) Answer any Five (05) questions.
- (4) If a page or a part of this question paper is not printed, please inform the Supervisor immediately.
- (5) Time allocated for the examination is three (03) hours.
- (6) Write your index number in all pages of answer script
- (7) Tie up all answer sheets at the end of the examination

Q (1)

- I. What is the importance of Law of contracts in Commercial Law?  
(5 Marks)
  - II. Describe offer and invitation to Offer  
(5 Marks)
  - III. Explain what is consideration in Law of Contracts and mention rules relating to consideration  
(10 Marks)
- (Total 20 Marks)**

Q (2)

- I. Describe the elements which affect Contractual Consent  
(10 Marks)
  - II. Describe different Contractual remedies available for a suffered Party  
(10 Marks)
- (Total 20 Marks)**

Q (3)

- I. Define a Sale of Goods Contract  
(5 Marks)
  - II. Describe different types of goods mentioned in the Sale of Goods Ordinance  
(5 Marks)
  - III. Describe different rules of Passing ownership from Seller to buyer mentioned in the Sale of Goods Ordinance  
(10 Marks)
- (Total 20 Marks)**

Q (4)

- I. Describe the importance of Agency in Commercial Practice  
(5 Marks)
  - II. Describe rights of an Agent and duties of a Principle  
(10 Marks)
  - III. What are the different types of an agency may be terminated?  
(5 Marks)
- (Total 20 Marks)**

Q (5)

- I. Define a Partnership  
(5 Marks)
  - II. "Actions of a Partner legally bind the other Partners of a Partnership" Comment  
(5 Marks)
  - III. Describe duties owed by a partner towards the other partners of a partnership  
(10 Marks)
- (Total 20 Marks)**

Q (6)

I. Define a Negotiable Instrument

(5 Marks)

II. Compare a cheque and a promissory note

(10 Marks)

III. Who is a "holder in due course" defined in Bills of Exchange Ordinance

(5 Marks)

**(Total 20 Marks)**

Q (7)

I. What do you mean by the term Insurable Interest?

(5 Marks)

II. Insurance is an "Uberrimae Fidei" contract. Comment

(5 Marks)

III. Describe three Principles relating to Insurance other than Insurable Interest and Uberrimae Fidei.

(10 Marks)

**(Total 20 Marks)**

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