

**THE OPEN UNIVERSITY OF SRI LANKA
FACULTY OF MANAGEMENT STUDIES**

**BACHELOR OF MANAGEMENT STUDIES (HONOURS)
DEGREE PROGRAMME**



**OSU4571 – LAW RELATING TO BUSINESS TRANSACTIONS
FINAL EXAMINATION – 2024 / 2025**

DURATION – THREE (03) HOURS

DATE: 21st December 2025

TIME: 01.30 pm-4.30 pm

Instructions:

- **Total Number of Questions SIX (06).**
- **Answer ALL (06) Questions.**
- **Candidates will be penalized for illegible handwriting.**

01. a. Define the conditions and warranties according to the Sale of Goods Ordinance No 11 of 1896 and write the relevant sections and case law. **(10 Marks)**

b. Describe the mistake and frustration of a contract for sale of goods. **(10 Marks)**

02. a. Ananda purchased a laptop online with the expectation of using it for professional gaming. The laptop was advertised as having an Intel Core i7 processor, known for its high performance. However, upon delivery, Ananda discovered that the laptop actually had an Intel Core i5 processor, which is not suitable for gaming.

Advise Ananda on whether he can sue the seller. Relevant statutory provisions and case law should be cited to support your answer. **(05 Marks)**

b. Mala purchased an expensive ring from a reputable jewellery store. Unknown to her, the store had previously pledged the ring as collateral for a bank loan. If the bank later seeks to seize the ring, is Mala obliged to return it? Discuss whether she would have a cause of action against the jewelry store in such circumstances. **(05 Marks)**

03. a. What are the major objectives of Electronic Transaction Act No. 19 of 2006 in Sri Lanka? **(05 Marks)**

b. What are the types of e-commerce transactions and Describe any five of them with examples. **(05 Marks)**

c. Describe what are the advantages and disadvantages of e-commerce. **(05 Marks)**

d. Explain about the international legal framework governing electronic contracts and discuss its legal foundation. **(05 Marks)**

04. a. Explain the rules governing the delivery of goods under the Sale of Goods Ordinance No.11 of 1896, citing the relevant sections and providing a brief description of each. **(05 Marks)**

b. Describe the rules relating to delivery of the wrong quantity under the Sale of Goods Ordinance No.11 of 1896, citing the relevant sections and supporting case law. **(05 Marks)**

c. Define acceptance of goods' under the Sale of Goods Ordinance No.11 of 1896 and state three situations in which a buyer is deemed to have accepted the goods . **(10 Marks)**

05. a. Define a 'cheque' under the Bills of Exchange Ordinance No.25 of 1927, and cite the relevant section. **(05 marks)**

b. Describe the meaning and legal effect of a crossed cheque. **(05 Marks)**

c. Explain different ways of crossing cheques. **(05 Marks)**

d. Describe the Know Your Customer (KYC) requirement and explain its significance. **(05 Marks)**

06. a. On 15th December 2025, Aloka entered into a contract to purchase a car from Pahani. Before contracting, Pahani stated that she wanted the ownership of the car to pass on 1st January 2026, which Aloka strongly disagreed with. Explain to Aloka the legal rules regarding the passing of ownership of property and advise her on when she will obtain ownership of the car. **(05 Marks)**

b. On 18th December 2025, the car was involved in an accident and sustained significant damage. Both Pahani and Aloka seek advice on who bears the risk of loss under the contract. Advise them. **(05 Marks)**

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