

THE OPEN UNIVERSITY OF SRI LANKA
BACHELOR OF MANAGEMENT STUDIES DEGREE (BMS) LEVEL 04
FINAL EXAMINATION 2009
LEGAL ENVIRONMENT OF BUSINESS - MCU 2204



DURATION : THREE (03) HOURS

DATE: 08.02.2009

TIME : 1.30 p.m – 4.30 p.m.

Answer only five (05) questions.

1.
 - i. Discuss the methods of termination of a contract. (08 marks)
 - ii. Amara rented premises from Sama in Kandy to view the inauguration parade of president Thissa. He also booked tickets from a travel agent for boat riding in Bogambara Lake on following day. The inauguration parade was cancelled due to security reasons of the country. Discuss the legal position of the parties. (12 marks)
2.
 - i. How important the Intellectual Property Act No.36 of 2003 for the business people? (10 marks)
 - ii. How to register a trade mark under the Intellectual Property Act No.36 of 2003? (10 marks)
3.
 - i. Explain duties of an agent under the law of agency. (08 marks)
 - ii. P appointed B a stock broker to buy some shares for P. B had some shares of a company. B sent a contract note to P to show that the shares have been brought. But in fact he (B) sold his own shares to P at a high price. Advise P on this transaction. (12 marks)
4. According to the section 1 of the Partnership Act of 1890 'Partnership is the relationship which subsists between persons carrying on business in common with a view of profit.' Discuss the main characteristics of a partnership in the light of this definition. (20 marks)
5.
 - i. Define the term "Director of a company." (10 marks)
 - ii. What are the main duties of directors? (10 marks)
6. 'Cash cheque is not a valid Bill of Exchange.' Explain this statement with special reference to the section 3 of the Bills of Exchange Ordinance (20 marks)

7. Today international Trade Law is not merely covers sale of goods .But it involves delivery of documents under different types of contracts. It is a complex area of law involving different payment methods, transportation etc.
Discuss. (20 marks)

8. Write notes on any two (2) of the following.
i. World Trade Organisation (WTO)
ii. Types of endorsements
iii. Holder in due course.
iv. Offer and Acceptance.

(2 x 10 marks)

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