

THE OPEN UNIVERSITY OF SRI LANKA

LL.B. DEGREE PROGRAMME - LEVEL 6

1ST ASSIGNMENT TEST - 2005 ? 2006

COMMERCIAL LAW - LWU 4324 / 3324

DURATION - 40 MINUTES



Date: 6th September 2006

Time: 3 p.m. - 3.40 p.m..

Illegible handwriting will be penalized

Answer One question only.

1. The definition provided by the Sale of Goods Ordinance No: 11 of 1896 for the term of 'contract of sale of goods' elucidates the difference between a contract of sale of goods and other transactions which closely resemble a contract of sale of goods.

Comment.

2. Determine the legal consequences of the following transactions. Your answer should be supported with relevant statutory provisions and decided cases if any.

(a) Faker Jewellers agreed to sell a gold necklace to Amal, which is to be manufactured according to the design chosen by Amal. Faker Jewellers agreed to complete the task one day before Amal's wedding. Unfortunately after manufacturing the gold necklace the entire Faker Jewellers building was burnt down.

(b) Sarath agreed to buy Toyota car bearing registration number WP ZJ 2506 from Varuna. However the car had been stolen at the time contract was made.

(c) Kumar entered into agreement to sell his mini minor car to Bisara. Both parties agreed that the price of the car should be fixed by a reputed valuer Jeganathan. However Jeganathan did not perform his task.

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