

**THE OPEN UNIVERSITY OF SRI LANKA  
MASTER OF TECHNOLOGY IN INDUSTRIAL  
ENGINEERING PROGRAMME  
FINAL EXAMINATION - 2007  
LWJ 7101/LWP 2101 – THE LAW AND INDUSTRY**



**DURATION – THREE (03) HOURS.**

**DATE : 23<sup>rd</sup> April 2007**

**TIME: 9.30 – 12.30 hrs.**

**Answer FIVE questions only with at least ONE from each section.**

**SECTION – A**

01. Discuss the jurisdiction exercised by different courts in Sri Lanka.
02. Enumerate the sources of Law in Sri Lanka and describe at least three of such sources of law.

**SECTION – B**

03. 'Agreement is the basic element of a contract. Nevertheless, agreement alone does not constitute a valid contract'.

Do you agree with the above statement? Give reasons for your answer.

04. Write notes on any two of the following.
  - a) Mutual mistake and common mistake.
  - b) Fraudulent misrepresentation and negligent misrepresentation.
  - c) Conditions and warranties.

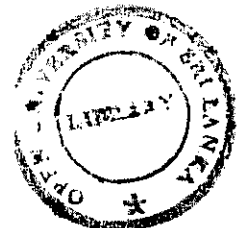
**SECTION – C**

05. Discuss the difference between Private and Public nuisance.

Illustrate your answer with relevant examples.

06. Mahen wishes to purchase a computer from "Smart Computers (Pvt) Ltd". Since Mahen did not know much about computers he sought advice from Amal who is a computer engineer attached to 'Smart Computers'. Upon Amal's advice Mahen purchased an 'ABC' computer with all its accessories. The computer did not work after it was assembled. A computer specialist who looked into the computer found the central processing unit of the computer to be defective. It was also found that the central processing unit had been repaired a several times previously.

Mahen seeks your advice as to whether he can sue Amal for negligent professional advice.



SECTION - D

07. Sea View is a small hotel located close to the beach on the Southern coast of Sri Lanka. Priyantha the owner of the hotel has employed ten persons who work for a monthly salary and who have been working at Sea View for the last 5 years. Shereen the receptionist of the hotel is presently on maternity leave, which is due to end soon and Chamila has been working as receptionist during her absence. Priyantha recently engaged Premasiri, a new graduate from a hotel school as a chef. Priyantha needs a chef who is expert in seafood preparation and though Premasiri has worked at the hotel for a month is not satisfied with his expertise as several complaints have been received from customers regarding food prepared by him. Priyantha also employed 5 persons during the height of the tourist season (the season is now over), as his existing staff was inadequate to deal with the increased tourist arrivals. He also engaged Samantha to paint the hotel.

Chamila, Premasiri, Smanatha and the 5 persons engaged during the tourist season are all demanding that their services be continued by Sea View Hotel and that benefits under the labour legislation of the country be paid to them. Meanwhile Shereen wishes to return to her job.

Priyantha who is unfamiliar with labour law seeks your advice regarding these demands. Advise Priyantha, identifying the category to which each employee belongs and the rights of the employees and Priyantha under these categories.

08. 'Speedy resolution of industrial disputes is a key requisite in maintaining a healthy business environment. Therefore a wide range of dispute resolution mechanisms have been established under the Industrial Dispute Act to ensure that there is a suitable mechanism to resolve any dispute that could arise in a business context'

Discuss the validity of the above statement explaining the various dispute resolution mechanisms available under the Industrial Disputes Act and giving practical examples of instances when each of these mechanisms could be used in the business world.