THE OPEN UNIVERSITY OF SRI LANKA
FACULTY OF MANAGEMENT STUDIES

BACHELOR OF MANAGEMENT STUDIES HONOURS
OSU4574 – INTRODUCTION TO LAW AND CONTRACT LAW
FINAL EXAMINATION – 2024 / 2025
DURATION – THREE (03) HOURS

*DATE: 28th June 2025* *TIME: 01.30 pm-04.30 pm*

**Instructions:**

- **Total Number of Questions: SIX (6).**
- **Question Number ONE (1) is compulsory.**
- **Answer question Number ONE (1) and any other FOUR (4) questions. You must answer a total of FIVE (5) questions.**
- **Each question will be given a total of TWENTY (20) marks.**
- **Candidates will be penalized for illegible handwriting.**

1) a. Explain the doctrine of separation of powers. (10 Marks)

b. To what extent do you think the doctrine of separation of powers operates in Sri Lanka? Provide examples. (10 Marks)

2) a. Explain the meaning of 'sources of law.' (06 Marks)

b. State three (03) primary sources of law in Sri Lanka. (03 Marks)

c. Write a short note on one (01) important source of law in Sri Lanka. (06 Marks)

d. What are the three main personal laws in Sri Lanka? Briefly explain the salient features of each. (05 Marks)

3) a. Describe the hierarchy of courts in Sri Lanka. (05 Marks)

b. What is the highest court in Sri Lanka, and what types of matters does it hear? (06 Marks)

c. Identify three (03) different types of alternative dispute resolution (ADR) mechanisms. (03 Marks)

d. What are the advantages and disadvantages of alternative dispute resolution (ADR) mechanisms? (06 Marks)

4) Samanthi entered into a contract with Kamal, agreeing to transfer ownership of her house. However, due to increasing property prices, she declined to perform her contractual obligations, and planned to sell the house to someone else at a higher price. Based on this scenario, answer questions (a) to (d)

a. Advise Kamal on the remedies available to him. (05 Marks)

b. Which court of law should Kamal go to? (05 Marks)

c. If Samanthi is unable to transfer ownership of her house to Kamal because it was destroyed by fire, what would happen to the contractual relationship between Samanthi and Kamal? (05 marks)

d. Would your answer to (a) be different if the subject matter of the contract was a car instead of a house? Give reasons for your answer. (05 Marks)

5) a. What are the four ways by which a contract can be terminated? (04 Marks)

b. Write a short note on one (01) such method (06 Marks)

c. Nayani enters a contract with Pahan without knowing that Pahan is mentally ill. Is this a valid contract? Give reasons for your answer. (05 Marks)

d. Charitha entered an unassisted contract with Amandi who was a minor. Amandi is now 20 years old, and she wants to know if she is still bound by the contract. Advise Amandi, supported by relevant case law. (05 Marks)

6) a. Write three (03) vitiating elements of a contract. (03 Marks)

b. Dhammi, a sales representative for an electronics company, assures a customer that all refrigerators are built to withstand higher voltages. The customer purchases a refrigerator based on this information, but it malfunctions after one day due to the higher voltage. Can the customer sue Dhammi for the statement she made? Support your answer with relevant case law. (07 Marks)

c. Lihini, who is 75 years old, visited the same electronics company on the same day and ordered a refrigerator for Rs.300,000. In fact, the actual value was Rs.30,000, which she did not see as she had forgotten her spectacles that day. Dhammi was aware of this mistake as to

the value of the item but still agreed to sell the refrigerator for Rs.300,000. Lihini now seeks your advice on whether she can return the refrigerator. (10 Marks)

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