



ICM

DECEMBER 2016

BUSINESS LAW

Instructions to candidates:

- a) Time allowed: Three hours (plus an extra ten minutes' reading time at the start – do not write anything during this time)
 - b) Answer any FIVE questions
 - c) All questions carry equal marks. Marks for each question are shown in []
1. What has been the effect of the Consumer Rights Act 2015 on the Sale of Goods Act? [20]
 2. Read the following case and answer the questions at the end:

John was the captain of a ship which was at anchor in a busy port. Some work was in progress on one of the jetties which involved painting and removing the old paint by using blow torches. John gave the instructions that no waste was to be thrown overboard. However, one of the crew ignored this instruction and some old paper was thrown over into the water. The current moved the paper near the jetty where the work was in progress. This was noticed by some of the workers who asked their foreman what they should do. He told them to carry on working. Unfortunately, some of the sparks from the blow torches set fire to some of the floating paper which damaged the jetty.

 - a) What area of law is involved here?
 - b) Who is liable to pay for the damage done to the jetty?
 - c) What kind of employment contracts are involved?
 - d) Does remoteness of damage have any bearing in this case? [20]
 3.
 - a) What is **consideration**?
 - b) Explain the difference between executory, executed and past consideration.
 - c) What are the exceptions to the past consideration rule?
 - d) Explain what is meant by the expression '**consideration must be of some value**'. [20]
 4.
 - a) What is the difference between private nuisance and public nuisance?
 - b) John was driving his car along a public road when a branch of a tree overhanging the road fell and damaged his car. This was a surprise to the owner of the tree as it had shown no damage or any indications that it was faulty. Can John claim damages from the owner of the tree or from the local council or from nobody? [20]
 5.
 - a) There are three different types of agent – special agent, general agent and universal agent. What is the difference between them?
 - b) Agents may be appointed in four different ways – expressly, by implication, by necessity and by ratification. Explain the difference between them.
 - c) Read the following case and explain whether or not the railway company can recover its expenses:

A horse was sent by railway and on arrival at the station there was no-one there to collect it. The station master put the horse in a stable for the night and bought some straw and food for it. When the owners of the horse arrived the next morning the station master asked them for the cost of stabling the horse. The owners refused saying that they had not told the station master to keep the horse.

 [20]
 6. Explain what is meant by **misrepresentation** in a contract. Describe the different types of misrepresentation and their effect on a contract. [20]
 7.
 - a) What is a **partnership**? Give a definition.
 - b) Give an account of the authority of the partners. [20]

continued overleaf

8. a) What are the TWO kinds of contract of employment? Explain the differences between them and the tests that can be used to decide which kind it is.
- b) What are the duties of the employer and the employee?

[20]