



ICM

JUNE 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. a) Give the definition of a **partnership**.
b) Describe the different kinds of partner and their responsibilities.
c) Explain the relationship of the partners between each other. [20]
2. Describe the content and meaning of the rules found in Section 18 of the Sale of Goods Act 1979. [20]
3. Exclusion clauses are widely used in contracts. What are they and what restrictions are there on their use? [20]
4. What is the difference in law between a contract of service and a contract for services? Describe the different tests that are used to decide. [20]
5. a) Describe the THREE requirements needed to make out a case in negligence?
b) What would be the results of the following case?
John was the captain of a ship which was moored in the harbour of a town. Against the regulations of the harbour authorities he ordered that the waste should be poured from the ship into the harbour. As part of the waste some paper and cotton wool went floating round the harbour towards a jetty where there was some welding work in progress. The foreman in charge of the welding saw the waste but did not think it was dangerous, so he told the men to continue welding. Some sparks from the welding fell onto the cotton wool which started to smoulder. A wind sprang up and fanned the cotton wool into flames so that the paper caught fire resulting in some damage to the jetty. The owners of the jetty sued the owners of the ship for the cost of the damage. [20]
6. Explain the different ways in which a contract may come to an end. [20]
7. a) What are the ways in which an agency may be created?
b) What duties does an agent have?
c) Explain the difference between an agent's actual authority and an agent's apparent authority? [20]
8. a) What different kinds of company are there?
b) Explain the differences between a company and a partnership.
c) Describe briefly the way in which a new company is registered. [20]