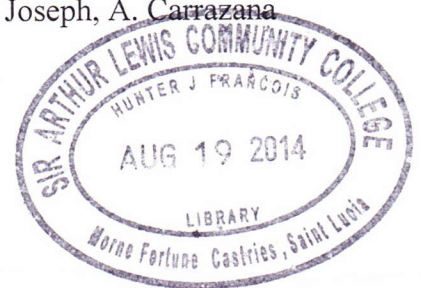


SIR ARTHUR LEWIS COMMUNITY COLLEGE
Division of Technical Education and Management Studies

EXAMINATION SESSION : Semester One December 2011/2012 Examination
TUTOR (S) : Shima Herelle
PROGRAMME TITLE : Applied Arts – Business Administration
PROGRAMME CODE : 3BS-ABA-AD
COURSE TITLE : Business Law
COURSE CODE : BUS204
DATE : 9th December, 2011
COMMENCEMENT TIME : 9:00 a.m.
DURATION : 2 Hours
INVIGILATOR (S) : R. John Baptiste, C. Gedeon, U. Joseph, A. Carrazana
ROOM (S) : CEHI-R2



#L13



INSTRUCTIONS:

Borrowing or lending is prohibited.

- Students are advised to use a pen to write this examination
- Write your ID number on *each* answer sheet
- All cell phones must be turned off during the examination
- **Note:** Bags, books as well as writing paper not given by the invigilator should be deposited at the front of the examination room or as otherwise indicated.
- Students **must** sign **IN** and **OUT** on the examination class list
- All examination papers **must** be turned in to the invigilator together with the answer sheets

Section 1

Multiple Choice Questions

- 1) If performance of contract is impossible, what is the reason for contract ending?
 - a) Breach
 - b) Frustration
 - c) Agreement
 - d) Performance

- 2) What is a discharged contract?
 - a) One that will be breached due to the lack of agreement
 - b) One that was always impossible to perform
 - c) One that never came into being at all
 - d) One that was valid and has now ended

- 3) When one party announces they will not be able to fulfill their contractual obligation, this is called:
 - a) Anticipatory breach
 - b) Breach of warranty
 - c) Breach of a condition
 - d) Anticipatory agreement

- 4) What happens in the event of a breach of warranty?
 - a) The contract is discharged due to breach
 - b) The injured party can sue for breach of contract
 - c) The injured party can sue for specific performance
 - d) The contract is negotiated

- 5) What does it mean when nominal damages are awarded?
 - a) The defendant wins the claim
 - b) The claimant wins the case but no loss has been incurred for which to compensate them
 - c) The claimant does not receive a penny
 - d) The claimant is compensated for their loss

- 6) What is a quantum meruit claim?
 - a) Specific performance means that claimant does not have to suffer a loss
 - b) Payment can be recovered to cover part work done when completion is impossible
 - c) Damages are awarded which punish the defendant
 - d) The claimant cannot claim damages when no loss has been incurred

- 7) What is an injunction?
 - a) A remedy awarded which compels an action by a guilty party
 - b) When a court orders someone not to break their contract
 - c) When two parties find they cannot complete a contract
 - d) When a claimant is allowed a claim for partial performance

- 8) What does privity of a contract mean?
 - a) A contract is between one party and the world
 - b) Everyone has the right to enter a contract
 - c) A contract is between the two contracting parties and cannot protect a 3rd party
 - d) Nobody should know what the contract contains

- 9) What is wrongful dismissal?
- a) Dismissal was because the employee did something wrong
 - b) Dismissal occurs when the employee had less than 1 year service
 - c) An employer is in breach of contract when they attempted to terminate the contract
 - d) Dismissal was because the employee was a member of a union

10) What is Constructive Dismissal?

- a) Employee resigns due to employer breaching their contract
- b) Employer sacks employee because of they caused trouble
- c) Employee resigns due to dislike of their line manager
- d) Employer sacks employee after a number of disciplinary offences

(10 marks)

Section 2

Discuss any TWO (2) of the following concepts:

- | | |
|------------------------|------------------------|
| a) Postal Rule | e) Vicarious Liability |
| b) Privity of Contract | f) Non Est Factum |
| c) Injunction | g) Consensus Ad Idem |
| d) Counter Offer | h) Quantum Meruit |

(10 marks)

Section 3

Distinguish between contracts that are:

- a) void
- b) voidable
- c) unenforceable

(15 marks)

Section 4

- a) Explain the difference between Civil Law and Criminal Law
- b) Discuss the origins of Common Law
- c) Explain the difference between Obiter Dictum and Ratio Decidendi

(15 marks)

Section 5

Answer ONLY ONE question from this section

1. Jean Marie Ltd is a large company, which owns and operates hotels and restaurants in St Lucia. Top Cuisine Ltd is a well known supplier of goods commonly used by hotels and restaurants based in Miami,USA. On May 1st 2012 Top Cuisine Ltd sent a fax to JeanMarie Ltd which read:“Can offer latest Speedy Rice Cookers at \$100 each.”

On June 1st 2012, Jean Marie Ltd faxed a reply stating: “Will have 20 Rice cookers. Need delivery by July 1st 2012.”

Upon receiving the fax, Top Cuisine wrote back to Jean Marie Ltd saying: “Thank you for your fax which is receiving our attention”.

Subsequently and prior to July 1st 2012, Top Cuisine Ltd packed the rice cookers ready for shipment, but before the shipment went out, Jean Marie Ltd phoned Top Cuisine Ltd to say that they no longer needed the rice cookers.

Discuss the legal position of Jean Marie Ltd and Top Cuisine Ltd in relation to the law of contract. Use cases to support your answer.

(25 marks)

OR

2. Discuss discharge of contract and the different ways in which a contract can be discharged.

(25 marks)

END OF EXAMINATION