



ICM

DECEMBER 2017

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 []
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1.
 - a) Outline the way in which a registered company can be incorporated.
 - b) What are **pre-incorporation contracts**?
 - c) What are the functions of the promoters? [20]
 2.
 - a) What is an **agency**?
 - b) How may an agency be started?
 - c) Describe the different kinds of agent and what responsibilities they have. [20]
 3. Read the following case and answer the questions at the end.

Harry and his wife decided to go to the seaside for a few days. When they arrived at the seaside town they found what they thought was a good hotel. They went inside and asked to book a room for four nights. They paid the deposit, were given a receipt and were shown to their bedroom. On the wall was a notice which said that the management of the hotel would not be responsible for any loss of customers' goods unless deposited with the clerk at the downstairs office. Harry and his wife did not, however, read the notice. They unpacked their clothes, leaving his wife's coat on the bed and went downstairs. They left the key of the room with the clerk and went out to explore the town. When they returned they found that someone had taken the key of their room and stolen his wife's coat.

 - a) What area of law does this cover?
 - b) If Harry sues the management, what do you think the result would be? In your answer you should describe the law and whether it applies to this case. [20]
 4.
 - a) Describe the rules which are found in section 18 of the Sale of Goods Act 1979.
 - b) Read the following case and answer the question at the end.

John made a contract with Henry, the owner of a furniture and carpet shop, to buy a roll of carpet from him. John wanted the carpet for his new office and the contract stated that the carpet was to be delivered and laid by Henry on a particular day. Henry brought the carpet to John's office and left it there overnight to be laid the next morning. During the night some thieves broke into the office and stole the carpet. When Henry asked John for the money he refused to pay.

Explain whether or not you think Henry is entitled to the money for the carpet. [20]
 5. Read the following case and answer the questions at the end.

John lived in a quiet road which ended in a field. Company X bought the field and built a large factory on it. Lorries drove into the factory and out of the factory all day and did not finish until well into the night. This meant that John could not sleep properly and it made him feel ill. He wrote to the factory owner about it and was told that they could not do anything because if they stopped the lorries the factory would have to close down.

 - a) Write an account of the area of law involved here.
 - b) If John took the matter to court, do you think he would succeed? [20]
 6. What is the effect of duress and undue influence on a contract? [20]

continued overleaf

7. a) Give an account of the tort of defamation.
 b) What is the difference between libel and slander?
 c) What is meant by '**unintentional defamation**'? [20]
8. a) What is meant by a **partnership**?
 b) Give a definition of a **partnership** and write some comments on the definition.
 c) Explain the following:
 i Dormant partner
 ii Salaried partner
 iii The liabilities of the partners
 iv Limitation as to numbers [20]