



BUSINESS LAW

June 2019

Time allowed

Three hours

Instructions

- Write the question number next to each answer in your answer booklet.
- You are not required to rewrite the question in your answer booklet.
- Ensure that you pay particular attention to words in **bold**.

Information

- Different questions may carry a different number of marks.
- Marks for each question are shown in [].

Advice

- Read each question carefully before you start to answer it.
- Use the full time permitted and check all your answers.

Materials

- No other computer equipment, notes or books are permitted.
- For those exams for which numeracy skills are required:
 - a) Non-programmable calculators are permitted.
 - b) Data tables are included at the back of the paper.

ANSWER FIVE QUESTIONS FROM EIGHT.

1. In relation to negligence:
 - (a) Outline the general defence of **consent**. [6 marks]
 - (b) Explain how remoteness of damage constitutes to a defence. [7 marks]
 - (c) Discuss what other general defences may be used. [7 marks]

2. Gemma is the director of Domina Amicis Ltd, a company that produces swimwear. On a recent stock order Gemma accidentally ordered 10,000 more T-shirts than she should have. Domina Amicis Ltd has suffered for profit this month as a result. Gemma's best friend Sophie has offered to buy 300 T-shirts off Gemma in exchange for some information on Domina Amicis Ltd's next product launch. Gemma has accepted Sophie's offer and showed her the new designs.
 - (a) Explain the fiduciary and statutory duties Gemma holds as a director when operating the business.
 - (b) Discuss the duties Gemma may be in breach of as a result of her negligent actions. [20 marks]

3. There may be times when disputes arise between two or more parties.
 - (a) Describe what is meant by **alternative dispute resolution**. [10 marks]
 - (b) Outline **four** advantages of alternative dispute resolution. [10 marks]

4. An agent may be appointed to act on behalf of an organisation. With regard to agency:
 - (a) Discuss the duties that are held by an agent. [10 marks]
 - (b) Explain how an agency can be terminated. [10 marks]

5. Privity of contract is a common law principle.
 - (a) Discuss the rules of privity. [10 marks]
 - (b) Explain what exceptions there are to this rule. [10 marks]

6. The sale of goods is governed by law.
 - (a) Discuss what rights an unpaid seller holds. [7 marks]
 - (b) Describe what rules apply to auction sales. [6 marks]
 - (c) Explain the difference between '**conditions**' and '**warranties**'. [7 marks]

7. When talking about the employment of staff:
- (a) Compare and contrast the status of the following **two** employment statuses:
 - (i) self-employed
 - (ii) employed
 - (b) Explain what tests are used to determine these two employment statuses.
 - (c) Discuss the importance of distinguishing an **employee** from an **independent contractor**. [20 marks]
8. A business can be formed in a variety of ways.
- (a) Discuss what the requirements are for a partnership in law. [4 marks]
 - (b) Examine the formation of a limited liability partnership. [8 marks]
 - (c) Discuss the proposals for the reformation of partnership law. [8 marks]

END OF QUESTIONS