



ICM

JUNE 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. How can you tell the difference between an employee and an independent contractor? What are the different tests? [20]
 2.
 - a) Explain how a new company is registered.
 - b)
 - i What is the legal position of the promoter?
 - ii Can he make contracts on behalf of the company? [20]
 3.
 - a) Explain and illustrate the difference between statute law and case law.
 - b) What is meant by '**judicial precedent**'? [20]
 4.
 - a)
 - i Write an account of the THREE requirements that have to be established in order to make a case in negligence.
 - ii What is meant by '**remoteness of damage**'? [10]
 - b) Read the following case and answer the question at the end.

John lived in a house which was not far from a railway line. One day there was a bad accident on the railway line when one of the trains crashed into another. John went down to the track and helped to rescue a number of passengers who were trapped. As a result of this John suffered from shock and was off work for a month.

What would the result be if John sued the railway company for damages as a result of his shock? [10]
 5.
 - a) What is **consideration** in a contract?
 - b) Explain the difference between executory, executed and past consideration.
 - c) Explain the meaning of **equitable estoppel**. [20]
 6. What are the different kinds of mistake that can affect a contract? Describe EACH one and show the effect EACH has. [20]
 7.
 - a) Explain the contents of section 18 of the Sale of Goods Act.
 - b) Is this section changed at all by the Consumer Rights Act 2015? [20]
 8.
 - a)
 - i What is an **agent**?
 - ii Explain the different ways that an agency can come into being.
 - iii What kinds of agent are there?
 - iv What are the duties of an agent? [10]
 - b) Consider the following case and say what you think the result will be.

Harold had made a contract for a consignment of tomatoes to be shipped to a port on the south coast of England and then sent to London for sale. When they arrived at the port the tomatoes were starting to go bad and the port official in charge of the unloading decided to sell them at the port rather than send them by train to London. The amount of money from the sale was less than they would have made had they been sold in London. Harold sued the port official for the difference. [10]