



BUSINESS LAW

March 2022

Time allowed

Three hours

Instructions

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

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

- Notes or books are **not** permitted.
- Non-programmable calculators are permitted.



ICM

ANSWER ANY FIVE QUESTIONS FROM THE FOLLOWING EIGHT QUESTIONS

1. Analyse the effect of 'mistake' in contract. Use examples of relevant cases to support your analysis. [20 marks]
2. (a) Explain how a case in the civil court can become a part of law. [10 marks]
(b) Explain the difference between obiter dicta and rationes decidendi. [10 marks]
3. (a) Outline the ways in which an agency can be formed. [12 marks]
(b) State **three** types of agent. [3 marks]
(c) Describe the case of *Watteau v Fenwick* (1893). [5 marks]
4. (a) Describe each of the following ways in which a contract can come to an end:
(i) Performance [6 marks]
(ii) Agreement [6 marks]
(iii) Breach [6 marks]
(b) A limited building company agreed to build 90 houses for the local council at a price of £1million. Shortage of labour caused costs to rise and the project would cost £340,000 more than the original price. They sued the council for the money, claiming the original contract had been frustrated and the contract was, therefore, discharged. The council disagreed and would not pay.
Suggest the outcome of the case including the reason why. [2 marks]
5. Discuss the requirements to be considered in a successful case of negligence. [20 marks]
6. Explain the ways in which to determine the difference between an employee and an independent contractor. [20 marks]
7. Describe the tort of defamation. Use examples to support your description. [20 marks]
8. John was the captain of a ship which was at anchor in a busy port. Some work was in progress on one of the jetties which involved painting and removing the old paint by using blow torches. John gave the instruction that no waste was to be thrown overboard. However, one of the crew ignored this instruction and threw some old paper into the water. The current moved the paper near the jetty where some of the work was going on. This was noticed by the workmen who asked their foreman what they should do. He told them to carry on working. Unfortunately some of the sparks from the blow torches set fire to the paper which damaged the jetty.
(a) State the area of law regarding the case. [1 mark]
(b) Suggest who is liable to pay for the damage to the jetty including the reason why. [2 marks]
(c) State the types of employment contracts that are relevant to the case. [2 marks]
(d) Discuss the relevance of 'remoteness of damage' to this case. [15 marks]

END OF QUESTIONS