



BUSINESS LAW

September 2021

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

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



ICM

ANSWER ANY FIVE QUESTIONS FROM THE FOLLOWING EIGHT QUESTIONS

1. In relation to negligence:
 - (a) Describe the general defence of consent. [6 marks]
 - (b) Explain the way in which remoteness of damage constitutes to a defence. [7 marks]
 - (c) Discuss the other general defences that can be used. [7 marks]

2.

Kate is the director of a limited company that produces swimwear. On a recent stock order Kate accidentally ordered an additional 10,000 t-shirts. The profits of Kate's company this month have reduced as a result. Kate's friend Harry has offered to purchase 300 t-shirts from Kate in exchange for information on Kate's company's next product launch. Kate has accepted Harry's offer and shown him the new designs.

Explain the fiduciary and statutory duties Kate holds as a director when operating the business and the duties Kate may be in breach of as a result of her negligent actions. [20 marks]

3. Describe what is meant by alternative dispute resolution, including **four** advantages. [20 marks]

4. Agents are appointed to act on behalf of organisations.
 - (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.

Discuss the rules of privity, including the exceptions. [20 marks]

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

7.
 - (a) State what is meant by the following **two** employment statuses:
 - Self-employed
 - Employed[2 marks]
 - (b) Describe the tests that are used to determine whether an individual is self-employed or employed. Use examples from case law to support your description. [12 marks]
 - (c) Discuss the importance of distinguishing an employee from an independent contractor. [6 marks]

8.
 - (a) Discuss the requirements for a partnership in law. [4 marks]
 - (b) Explain the formation of a limited liability partnership. [8 marks]
 - (c) Discuss the proposals for the reformation of partnership law. [8 marks]

END OF QUESTIONS