

## Focus Areas

### Relevant Chapters

Chapter 1 – Introduction to Law

Chapter 2- Contract Law

Chapter 3 - Sale of goods ordinance

Chapter 4 – Law of Agency

Chapter 5 – Company Law and Partnership

Chapter 6 – Negotiable Instruments

Chapter 7 – Labour Law

Chapter 8 – Insurance, Hire Purchase, and Leasing

Chapter 9 – International Trade Law

Chapter 10 – Offences Related to Business Environment

### Paper Structure

#### ❖ Section A - OTQ (Objective Test Questions)

- Total Questions = 1
- Question structure = OTQ / True or false questions / short answer questions
- Total Marks = 25

#### ❖ Section B

- Total Questions = 5
- Question Structure = direct questions.
  - For example, questions would directly ask to **discuss/explain/identify/state** rights/obligations/objectives/purpose/duties/rules/prerequisites/circumstances/offences, etc.
- Total Marks = 50

#### ❖ Section C

- Total Questions = 1 (Part A and Part B)
- Question Structure – Problem Question
- Total Marks = 25

## **Chapter 1 – Introduction to Law**

- Questions will only be based on MCQs.
- No main question from this area
- Focus your study on ;
  - Powers of the Courts – Supreme Court / Court of Appeal / High Court / District Court/ Magistrate Court
  - Personal Laws and Roman-Dutch Law
  - Sources of Law
- Recommended form of studying;
  - Do not spend unnecessary time “studying” or “memorizing” this area.
  - Read and understand the concept.
  - Practice Past Paper Questions of MCQs from 2015 – 2023.

## **Chapter 2 – Contract Law**

- Be ready for a problem question.
- Focus your study on ;
  - The elements of a contract.
  - Offer, Acceptance, Capacity of Parties, Intention, and Genuineness of Consent.
  - Remedies for breach of contract, terms of a contract, and exemption clauses.
- Recommended form of studying;
  - Read the case laws, the questions are mostly made using case law from the elements.
  - Practice answering questions according to a format.
  - Focus on Past papers.
  - Understand the concept of each element and write in your own words.
  - After understanding, move to memorize the necessary case laws under each element.

### **Chapter 3 – Sale of Goods Ordinance**

- Be ready for both problem and direct questions.
- Focus your study on ;
  - Sections - 13/14/15/16
  - Section - 19(1) / 19(2) / 19(3) / 19(4) / 19(5)
  - Case Laws – questions are made from case laws.
- Recommended form of studying;
  - Memorize Sections and Case Laws
  - Practice past paper questions as questions are repeated.

### **Chapter 4 – Law of Agency**

- Be ready for both problem and direct questions.
- Focus your study on ;
  - Creation of an agency
  - Rights and Duties of Agents
  - Termination of Agency
- Recommended form of studying;
  - Understand the concept well.
  - Read the case laws.
  - Use your own words when answering questions.
  - Practice past paper questions as questions are repeated.

### **Chapter 5 – Company Law and Partnerships**

- Be ready for direct questions.
- Focus your study on ;
  - Legal Personality of a Company
  - Articles of Association

- Termination/Dissolution of a Company
- How a Partnership is Created
- Rights and Responsibilities of Partners
- Duties of Partners
- Termination of Partnership
- Recommended form of studying;
  - Understand the concept well.
  - Use your own words when answering questions.
  - Memorize the duties well.
  - Practice past paper questions as questions are repeated.

## **Chapter 6 – Negotiable Instruments**

- Be ready for direct questions.
- Focus your study on ;
  - Cheques – types/crossing/ how banks can refuse payment.
  - Characteristics of a Holder in Due Course
  - Differences between Bills of Exchange, Cheques, and Promissory Notes
  - How banks can limit liability.
- Recommended form of studying;
  - Understand the concept well.
  - Use keywords when answering questions.
  - Practice past paper questions as questions are repeated.

## Chapter 7 – Labour Law

- Be ready for both direct and problem questions.
- Focus your study on ;
  - Shop and Office Act – leave, maternity benefits, work hours, and pay.
  - Termination of Employment of Workmen (Special Provisions) Act
  - EPF / ETF / Gratuity – To whom applicable and not applicable and calculation of gratuity
  - Tests to identify whether a person is an employee or an independent contractor.
  - Conflict Resolution methods
- Recommended form of studying;
  - Understand the concept well.
  - Use keywords when answering questions.
  - Practice past paper questions to identify questions.

## Chapter 8 – Insurance, Hire Purchase, and Leasing

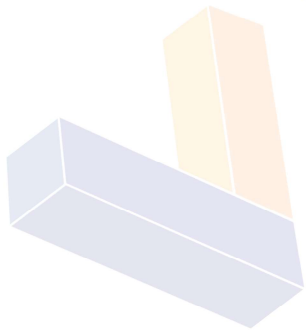
- Be ready for direct questions from hire purchase or leasing, and problem questions from insurance.
- Normally only 1 of the 3 topics are tested. Mostly tested on Insurance (2016-2022)
- Focus your study on ;
  - Principles of Insurance (Utmost good faith/ Indemnity/ Subrogation/ Contribution / Insurable Interest / Proximate Cause + case laws under each principle
  - Types of insurance – Indemnity and Contingency
  - Rights and Obligations of Owner and Hirer
  - Benefits of Leasing to Lessor and Lessee.
- Recommended form of studying;
  - Understand the concept well.
  - **Read the case laws because the question is similar to a case fact.**
  - Use keywords when answering questions.
  - **Practice only the past papers** from 2016 - 2023

## Chapter 9 – International Trade Law

- Be ready for direct questions.
- Focus your study on ;
  - FOB and CIF.
  - Duties of FOB seller and buyer
  - Duties of CIF seller and buyer
  - Bill of Lading and its importance
  - Types of International Payments – Letter of Credit is highly important.
  - International Conflict Resolution Methods
  - How banks can limit liability.
- Recommended form of studying;
  - Understand the concept well.
  - Use keywords when answering.
  - Practice past paper questions

## Chapter 10 – Offences Related to the Business Environment

- Be ready for direct questions.
- Focus your study on ;
  - Prevention of Money Laundering Act
  - Bribery act
  - Consumer Affairs Authority Act
  - Intellectual Property Act
  - Computer Crimes Act
  - Reporting of Financial Transactions Act
- Recommended form of studying;
  - **Only practice past paper questions as questions are repeated.**
  - **Do not try to memorize everything, only focus on past paper questions.**
  - **Has been tested since 2016.**



**JMC vLearning**  
"your virtual learning partner"

## Answer Format

\*The below format is mainly used to answer problem questions. For direct questions simply writing the answer to the point is sufficient.

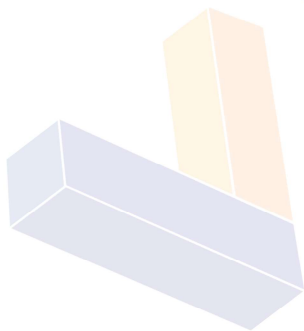
- I L A C -

I - INTRODUCTION

L – LAW

A – APPLICATION

C - CONCLUSION





## I – Introduction

- Definitions/ Small introduction on the area of the question. Limit it to one paragraph only.
- Ex: A contract is a legally binding agreement between two or more people.
- Ex: A contract of sale of goods is a contract whereby the seller agrees to transfer the property of the goods to the buyer for a money consideration called the price.

## L – Law

- How to state the law? – Use **sections** to tell the law / use **case laws** to talk about the law / state the law in general terms as you know
- Ex: As per **section 14 of the Sale of Goods Ordinance**, goods sold by description shall correspond/match with the description. / As per **section 16 of the Sale of Goods Ordinance**, goods sold by sample shall match with the sample.
- Ex: As per **Adams v Lindsay**, if the parties have agreed expressly or impliedly to communicate the acceptance of an offer by post, then the moment the letter of acceptance was posted, acceptance is deemed to have been completed.
- Ex: As per the FOB agreement under International Trade Law, the moment the goods are loaded into the ship, the ownership is transferred from the seller to the buyer/importer.

## A - Application

- Application means applying the above-discussed law to the given question/scenario.
- Discuss the question facts by applying/mixing the law to the given question/scenario.
- Ex: In applying the above-discussed law to the given scenario, when Mr. A posted the letter on 12<sup>th</sup> February and even if it was delayed due to a strike, Mr. A legally accepted the offer of Mr. B because of the postal rule established by law.

## C – Conclusion

- Answer the question specifically. For example, if the question asks whether there is a valid contract between Mr. A and B, then answer yes or no.
- Sometimes if remedies are asked, then discuss the remedies.
- Ex: In conclusion, as per the above-discussed law and its application it can be **agreed** that there is a valid contract between Mr. A and Mr. B.
- Ex: Therefore, ABC company can **claim damages** and **terminate the agreement** because the goods were not according to the sample.
- Ex: Therefore, Partners X and Y can **claim their share of the profits** from the secret profits of Partner Z.

### **Sample Question to apply ILAC method.**

Mr. B offered Mr. A, his car for LKR 8 million. Mr. B informed Mr. A to send his acceptance letter by post. He posted the letter of acceptance on 12<sup>th</sup> February, however, due to a strike in the postal department, the letter was delivered to Mr. B on 20<sup>th</sup> February.

Mr. B, thinking that Mr. A has no interest in the offer because he had not received any letter of acceptance, sells it to Mr. C on 15<sup>th</sup> February. Mr. A says there is a valid agreement, but Mr. B denies it. Discuss whether there is a valid agreement between the two parties.

### **Sample Answer**

A contract is a legally binding agreement between two or more parties that is enforceable by law. A contract can be made orally, in writing, or by implication. However, it will only be valid if all the elements (offer, acceptance, consideration, capacity of the parties, intention, legality, and genuineness of consent) exist. The relevant element in question in the given scenario is acceptance.

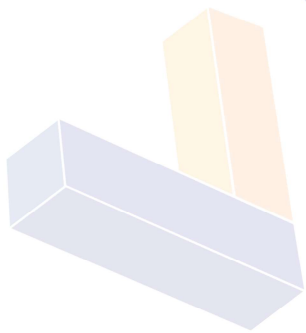
Acceptance means the unconditional agreement to an offer. For acceptance to be valid it;

- a) It must be communicated.
- b) It must be communicated officially.
- c) Silence does not amount to acceptance.

When communicating acceptance, if the parties have agreed expressly or impliedly that it must be communicated by post, then the postal rule shall apply. According to **Adams v Lindsay**, if the parties have agreed expressly or impliedly to communicate the acceptance of an offer by post, then the moment the letter of acceptance was posted, acceptance is deemed to have been completed.

**In applying** the above law to the given scenario, it can be seen that Mr. A and Mr. B expressly agreed to communicate the acceptance by post. Therefore, the postal rule is applicable. So, when Mr. A posted the letter on the 12<sup>th</sup> of February, on that day itself he accepted the offer of Mr. B, even though the letter was received by Mr. B on 20<sup>th</sup> February.

**In conclusion**, due to the application of the above-discussed postal rule in acceptance, there is a valid contract between Mr. A, and Mr. B. Therefore, the contract between Mr. B and Mr. C is null and void as Mr. A accepted before Mr. C, so the real contract is between Mr. A and Mr. B.



**JMC vLearning**  
"your virtual learning partner"