



**THE UNIVERSITY OF THE WEST INDIES
FIVE ISLANDS CAMPUS**

Semester II

Examinations of April/May 2023

Course Code: MGMT2021
Course Title: Business Law
Date of Assessment: April 27, 2023
Time: 1:00 pm
Duration: Two (2) Hours

INSTRUCTIONS TO CANDIDATES:

This paper has 4 pages and 6 questions.

YOU ARE REQUIRED TO ANSWER 3 QUESTIONS.

THIS ASSESSMENT IS WORTH 40 % OF YOUR FINAL GRADE.

ASSESSMENT DETAILS FROM INSTRUCTOR(S):

In Section A, you are required to answer one question. In Section B, you are required to answer any two questions. Please support your answers with case references and/or legislation. Note that a question may have more than one part.

SECTION A

Please answer one (1) question from this Section.

1. Jonathan Goodrich is a new resident to Antigua and Barbuda. He has learnt that his new home falls within the Commonwealth Caribbean legal system, and also that there are several ways to classify the laws in this area. Explain to Jonathan the different ways in which laws can be classified, using examples where relevant to illustrate your answer. **(25 marks)**

2. (a) Under the law of Agency, there are three main parties involved, the principal, agent and third party. Explain the rights and duties that the principal and agent have in relation to each other, using examples where appropriate to illustrate your answer. **(15 marks)**

(b) Explain the ways in which an agency relationship can be terminated. **(10 marks)**

SECTION B

Please answer any two (2) questions from this Section

3. (a) Lexington Hotel has entered into an agreement with Five Star Developers to design and build 10 new complex commercial washing machines for handing over to Lexington Hotel on or before March 31, 2023. The total contract price is \$50,000.00 and as stipulated by contract, Lexington Hotel must make an advance payment of \$20,000.00 to Five Star Developers. On March 31, 2023, when the new machines have almost been completed, Five Star Developers' factory is destroyed by fire. The washing machines are damaged beyond repair. The cause of the fire has not been ascertained. Lexington Hotel, which is unable to obtain equivalent complex washing machines elsewhere, now seeks your advice.
Answer this question with reference to relevant case law. **(10 marks)**

- (b) There are a number of ways in which a contract can be discharged, by breach, agreement, performance and by Frustration. Explain the different ways in which a contract can be discharged by Frustration using relevant case law. **(15 marks)**

4. Elizabeth usually takes her car to be serviced by Jiggle Bros Inc. and is aware that they always get her to sign a form which states that they are not to be held responsible for any damage caused to her vehicle consequent upon the service. However, a new garage, Low Cost Job Inc., has just started business and their services appear to be much cheaper than Jiggle Bros. Inc. Elizabeth decides to have her car serviced at Low Cost Job Inc. As she drives her car into the Low Cost Job Inc. garage, she notices a sign which states in large red letters:

“THESE PREMISES ARE DANGEROUS. Clients enter these premises at their own risk and Low Cost Job Inc. accepts no responsibility for any damage or injury sustained.”

After Elizabeth’s car has been serviced, she was driving home when it broke down. The damage to the car was later diagnosed as being caused by the fact that Low Cost Job Inc.’s mechanic had failed to replace the timing belt in the engine as required in the service. On returning to Low Cost Job Inc., the manager drew Elizabeth’s attention to the terms of dealing stated on a large notice prominently displayed in the foyer of the reception area, stating:

“Low Cost Job Inc. can accept no responsibility for any damage caused as a consequence of repairs carried out on these premises.”

The Manager also drew Elizabeth’s attention to the fact that the same condition was contained on the back of the receipt that Elizabeth had signed without reading. On leaving the Manager’s office, Elizabeth was severely injured by one of the Low Cost Job Inc.’s employees, negligently reversing a car into her.

Advise Elizabeth, using relevant case law.

(25 marks)

5. You have been contracted as a Business Consultant by an entrepreneur desirous of starting a new business. Compare and contrast the three (3) possible business structures citing advantages, disadvantages, case law and relevant legislation. Explain this matter fully to the entrepreneur seeking your advice.

(25 marks)

6. Saul in Parham Town wrote to Jelisa in Swetes Village offering to sell Jelisa his car for EC\$20,000.00. On receiving Saul's offer, Jelisa telephoned him on Monday morning to accept. Saul however, said that since such a large sum of money was involved, he wanted written confirmation of the acceptance from Jelisa. He said that if Jelisa got her letter of acceptance to him by 11:00 AM the next day (Tuesday), he would go ahead with the sale at EC\$20,000.00. Jelisa at once wrote to him and posted the letter of acceptance on Monday afternoon at 2:00 PM, which Saul received at 9:00 AM on the Tuesday morning. In the meantime, however, Saul had received a better offer for his car, and wrote to Jelisa withdrawing his offer to her. This letter was posted on 5:00 PM on the Monday evening, and was received by Jelisa at 8:30 AM on Tuesday. Discuss Jelisa's rights under the principles of Offer and Acceptance, using relevant case law.

(25 marks)

END OF QUESTION PAPER