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**CHRISTIAN SERVICE UNIVERSITY COLLEGE
KUMASI**

CSUC SCHOOL OF BUSINESS

DEPARTMENT OF GENERAL STUDIES

BACHELOR OF BUSINESS ADMINISTRATION

**End of First Semester Examination, 2019/2020 Academic Year
Level 300**

CSBG 311 BUSINESS LAW

TIME ALLOWED: TWO HOURS, THIRTY MINUTES

December 2019

**General Instructions: Attempt ALL questions in Section A and Two (2) in Section B
One mark for each question answered correctly under section A.**

SECTION A: 1 Hour, 30 Minutes

Instructions : Write your index number in the space provided above and circle the correct answer.

Examiner: Genevieve Afra Agyei-Mensah

1. Which of the following statements best describes the function of a legal system?

- a) Protection of individual rights and liberties
- b) Maintenance of public order
- c) Conferral of obligations
- d) All of the options given are correct

2. Which of the following statements best describes a "legal personality"?

- a) Natural persons only
- b) Artificial persons only
- c) Both natural and artificial persons
- d) None of the options given are correct

3. What is the difference between private law and public law?

- a) Private law refers to the relationship between individual citizens. Public law refers to the relationship between individual citizens and the state.
- b) Public law refers to the relationship between individual citizens. Private law refers to the relationship between individual citizens and the state.
- c) Private law relates to crimes committed inside the home. Public law relates to crimes committed in public places.
- d) Private law relates to court hearings conducted in private. Public law relates to court hearings conducted in public.

4. Which of the following is the most accurate description for the Rule of Law?

- a) An idealistic concept of how the legal system should function to further civilized society
- b) The law must be made up of strict rules with punishment for breach of those rules
- c) A rule made by Parliament
- d) Guidance on how rules should be applied

5. Which of the following accurately reflects the distinction between substantive and procedural law?

- a) Substantive law reflects the rules on procedure and evidence.

Procedural law reflects the elements or conditions for the law to apply

- b) Procedural law reflects the rules on procedure and evidence. Substantive law reflects the elements or conditions for the law to apply
- c) Substantive law and procedural law are synonymous
- d) None of the options given are correct

6. In terms of the hierarchy of the courts, which is the highest court in Ghana?

- a) The Court of Appeal
- b) The High Court
- c) The Supreme Court
- d) The District Court

7. Which of the following is the most accurate description of civil law?

- a) Civil law is an aspect of public law
- b) Civil law relates to controlling conduct or wrong-doing of which it disapproves
- c) Civil law relates to the enforcement of particular forms of behaviour
- d) Civil law is a form of private law and involves the relationships between individuals

8. Which of the following is an accurate statement of the courts powers in relation to Alternative Dispute Resolution(ADR)?

- a) The court can force parties to engage in ADR
- b) The court cannot force parties to engage in ADR and has no power to sanction them for failing to do so
- c) The court cannot force parties to engage in ADR but does have the power to sanction them for failing to do so
- d) None of the options given is correct

9. Which of the following is the most accurate description of arbitration?

- a) An informal meeting between the parties involving a discussion as to how the issue may be resolved
- b) An adjudicative process where the parties submit their dispute, for a binding decision, to an impartial tribunal.
- c) A meeting between the parties where an impartial third party facilitates discussions
- d) None of the options given is correct

10. In civil proceedings, when is a case officially started?

- a) When the defence has served their acknowledgement of service
- b) When the claim form is served on the defence
- c) When the claimant files the claim form
- d) When a court issues a claim form at the request of the claimant

11. Bill purchased a can of coke from the Ajax Minimart. After he finished drinking the Coke, Bill noticed that the can contained dead insects stuck on the inside bottom of the can. In a strict product liability tort action against Ajax, Bill must prove, among other things, that:

- a) Ajax is a merchant selling Coke.
- b) Ajax knew or should have known of the defective condition.
- c) Ajax had prior notice of other similar problems with Coke products.
- d) Ajax actually placed the dead insects into the can.

12. Under which of the following situations does strict product liability apply?

- a) Sale of a defective and unreasonably dangerous product.
- b) Manufacture of a defective and unreasonably dangerous product.
- c) Both (a) and (b) are correct.
- d) Neither (a) nor (b) are correct.

13. On May 1, Back-Talk Computer Store offered to sell five (5) computer servers to Gatekeeper Company for €5,000.00 each, delivery to be on May 30. Later that day (May 1), Gatekeeper responded that it would buy the computers only if they were delivered within three business days. Back-Talk notified Gatekeeper the next day, May 2 that it would not be able to deliver the goods within the time requested by Gatekeeper. Which of the following is true regarding Back-Talk's offer?

- a) There is no contract between Back-Talk and Gatekeeper.
- b) Gatekeeper's additional term became part of the contract, so Back-Talk is obligated to deliver the goods within three business days.
- c) Back-Talk's offer was accepted by Gatekeeper
- d) Gatekeeper may later accept Back-Talk's May 1 offer if it is then willing to accept delivery in four weeks.

14. The body of law which establishes rights between persons and provides for redress for violation of those rights is known as:

- a) Criminal Law.
- b) Civil Law.
- c) The Uniform Commercial Code.
- d) Stare decisis.

15. Where a meaningless term is used in an agreement, the effect is?

- a) The entire contract will be held unenforceable.
- b) It has no practical effect on the contract - the whole contract is enforceable.
- c) This term, rather than the entire contract, may be held unenforceable.
- d) The courts will order the parties to re-write the contract to more accurately identify what their intentions were.

16. In relation to minors, which of the following types of contract is not voidable but binds the minor?

- a) Contracts involving the sale of shares
- b) Leasing property
- c) Contracts of partnership
- d) A contract for necessities

17. Which of the following is NOT a type of mistake in contract law?

- a) Frustrated mistake
- b) Common mistake
- c) Mutual mistake
- d) Unilateral mistake

18. Which of the following elements is incorrect in establishing an actionable misrepresentation?

- a) A statement of material fact that induces the other party into the contract.
- b) A false representation.
- c) The innocent party did or did not believe the statement to be true.

d) The representation induced the party into the contract.

19. Which of the following is NOT a type of misrepresentation?

- a) Fraudulent misrepresentation
- b) Innocent misrepresentation
- c) Criminal misrepresentation
- d) Negligent misrepresentation

20. At common law, duress makes the contract:

- a) Voidable
- b) Void
- c) Illegal
- d) A valid contract that binds both parties

21. Where undue influence has been used to form the contract, the effect is that the contract is:

- a) Void
- b) A valid contract that binds both parties
- c) Illegal
- d) Voidable

22. When a contract has been agreed on the basis of a fraudulent misrepresentation, which of the following remedies is/are available?

- a) Both damages and rescission
- b) Damages only
- c) An injunction only
- d) Rescission only

23 Donny threw a knife at Sally, intending to injure her severely. However, Donny missed Sally. Sally saw the knife just as it whizzed by her head, missing it by about one inch. As a result, Sally was very scared. Sally sued Donny for assault and battery. Which of the following is most correct?

- a) Donny will be liable for battery, but not assault.
- b) Donny will be liable for assault, but not battery.
- c) Donny will be liable for assault and for battery.
- d) Donny will not be liable for either assault or battery because this is only a criminal matter.

24. Which of the following is NOT a method of implying terms into a contract?

- a) Through contradicting an express term
- b) By the courts
- c) Through customs
- d) Through statute

25. In which of the following torts is the liability 'strict'?

- a) Negligence
- b) Pure economic loss
- c) Claims under the Occupiers' Liability Acts
- d) Claims under the Consumer Protection Act

26. The tests to establish negligence liability do NOT include:

- a) the defendant owed the claimant a duty of care
- b) the defendant was contractually bound not to cause injury or loss to the claimant.
- c) the defendant breached the duty of care.
- d) the claimant suffered damage as a consequence of the breach.

27. In the case *Donoghue v Stevenson* [1932], Lord Atkin famously established which point of law in relation to the 'neighbour' test?

- a) That a contract is required before the claimant may initiate a negligence action.
- b) It must be fair, just and reasonable for a duty to be imposed on the defendant.
- c) The principle of proximity of relationship in existence between the claimant and the defendant.
- d) The 'but for' test in establishing consequential damage.

28. The defences to a negligence action do NOT include which of the following?

- a) Consent
- b) Personal relationship between the parties
- c) Contributory negligence
- d) Necessity

29. The appropriate tort for addressing the unlawful interference with another's land is?

- a) Nuisance
- b) Negligence
- c) Negligent misstatements
- d) Pure economic loss

30. The defences to a nuisance claim do NOT include:

- a) Statutory authority
- b) Consent
- c) Prescription
- d) Necessity

31. Which of the following will result in the employer NOT being held vicariously liable for a tort committed by an employer?

- a) An act authorized by the employer but conducted in an unauthorized way.
- b) An act where the employee has deviated significantly from the task set by the employer.
- c) An act incidental to employment
- d) A criminal act committed by the employee where there is a closeness of connection between the wrong committed by the employee and the nature of his/her employment (in determining whether it is just and reasonable to hold the employer liable).

32. In establishing a breach of statutory duty, which of the following tests is incorrect?

- a) The statute placed an obligation (duty) on the defendant that he/she owed to the claimant.
- b) The defendant breached the duty.
- c) The claimant suffered loss irrespective of whether this was a consequence of the defendant's breach.
- d) The damage suffered was of a kind contemplated by the statute, and the claimant was a member of a class that the statute was designed to protect.

33. The common law tests to establish 'employee' status does NOT include which of the following?

- a) The reasonable employer test.
- b) The control test.
- c) The mixed test.
- d) The 'business in own account' test.

34. A contract for the sale of goods is one where

- a) A seller gives goods to another by way of a contract, for safe keeping
- b) A seller transfers or agrees to transfer, the property in goods to the buyer for a money consideration called the price
- c) Goods are passed to another to use in his business
- d) Goods are loaned under a contract of hire to a customer

35. Which ONE of the following is correct? As a general rule, in a contract for the sale of goods, the goods must correspond with:

- a) The expectations of the buyer
- b) That recognized in the trade
- c) The description given by the seller or given on behalf of the seller
- d) That understood to be the description from a course of dealings with the seller

36. In a contract for the sale of goods, the goods must be:

- a) Of satisfactory quality
- b) Of a satisfactory size and shape
- c) Satisfactory to the buyer
- d) Satisfactory to all involved in its sale

37. With a contract of sale, when will the property in the goods be transferred from the seller to the buyer?

- a) As soon as the goods have been paid for
- b) As soon as the contract is made
- c) As soon as the goods have been delivered
- d) As soon as possible

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38. What is meant by the term "specific goods"?

- a) Specific goods are goods that are identified and agreed upon at the time a contract of sale is made.
- b) Specific goods are goods that have been specifically made to fulfil the buyer's order.
- c) Specific goods are goods that have a specific (rather than a general) use.
- d) Specific goods are goods that the seller has had to order specifically for the buyer.

39. What are "unascertained goods"?

- a) Unascertained goods are in effect all goods that are not specific.
- b) Unascertained goods are goods that need to be specifically ordered.
- c) Unascertained goods are goods that have not been paid for when the contract is made.
- d) Unascertained goods are goods that are not usually stocked by the seller and are therefore unusual.

40. What are "existing goods"?

- a) Existing goods are goods that the seller has left over from a previous sale.
- b) Existing goods are goods that the seller knows exist but needs to order them specifically for the buyer.
- c) Existing goods are goods that are either owned or possessed by the seller.
- d) Existing goods are goods that have already been manufactured and therefore exist.

41. The taking back of an offer by the offeror is

- a. revocation
- b. rejection
- c. cancellation
- d. consideration

42. A contract that amounts to nothing and has no legal effect is

- a. void
- b. bilateral
- c. voidable
- d. unilateral

43. A contract that contains a promise by both parties is

- a. express
- b. bilateral
- c. implied
- d. unilateral

44. A(n) _____ occurs when one party to a contract does not do what he or she agreed to do.

- a. breach
- b. fraud
- c. consideration
- d. ratification

45. If a valid offer is met with a valid acceptance, the result is.

- a. misrepresentation
- b. genuine agreement
- c. legality
- d. capacity

46. People sometimes enter into _____ contracts without saying a word.

- a. implied
- b. voidable
- c. express
- d. unenforceable

47. The offeree's refusal, or _____, of an offer ends that offer.

- a. rejection
- b. revocation
- c. implication
- d. expression

48. Overcoming a person's will through force is

- a. duress
- b. fraud
- c. extortion
- d. ratification

49. A deliberate deception to secure unfair or unlawful gain is

- a. fraud
- b. misrepresentation
- c. libel
- d. unilateral mistake

50. A legal means of enforcing a right or correcting a wrong is a(n).

- a. remedy
- b. breach
- c. avoidance
- d. beneficiary



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One mark for each question answered correctly under section A.**

SECTION B: 1 Hour

Instructions : Answer Two (2) Questions in all.

1. Explain the different meanings of the phrases 'common law' and 'civil law' (10 marks)

2. How can employers use knowledge of the legal environment of business expand their business and minimize liability exposure?

Identify two areas of expansions, the areas of law that will have to be considered and their potential legal impacts. (10 Marks)

3. Discuss whether or not liability can be imposed in the following case:

- Charles is employed as a doorman by Lion Lion plc, a company that owns a chain of nightclubs throughout the UK. One night, whilst working at one of Lion Lion's clubs, he is alerted to a drunken customer who has been kicking the toilet doors and has caused substantial property damage. Charles ejects the customer, but in doing so, he breaks the customer's arm. Would your answer differ if Charles had been expressly prohibited from manhandling troublesome customers? (10 Marks)

4. Has anyone ever broken a promise to you? Were those promises legally enforceable promises? Why or why not? (10 Marks)