

**CHRISTIAN SERVICE UNIVERSITY COLLEGE  
KUMASI**

**CSUC SCHOOL OF BUSINESS**

**DEPARTMENT OF GENERAL STUDIES**

**BACHELOR OF BUSINESS ADMINISTRATION  
Mid-Semester Examination, 2019/2020 Academic Year  
Level 300**

**CSBG 345 BUSINESS LAW**

**TIME ALLOWED: TWENTY MINUTES**

October 2019

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**SECTION A: 20 Minutes**

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

Examiner: Genevieve Afra Agyei-Mensah

1. Paula rented an apartment to Dave for ₵500 per month. Paula and Dave signed a one-year lease, to be effective beginning January 1st. After three months, Dave decided that he did not like the apartment. He gave Paula a 30-day written notice, stating that he would vacate the rental unit at the end of the thirty days, which was April 30th. Upon receipt of Dave's notice, Paula made reasonable efforts to find a new tenant. Nevertheless, the apartment remained vacant from May 1st through June 30th. Paula re-rented the apartment beginning July 1st. for one year. Paula sues Dave in small claims court. What is the likely outcome?

A. Paula is entitled to the balance of the lease, or ₵4,000, because Dave did not have a valid reason to breach the contract.

B. Paula is entitled to nothing, because Dave gave Paula thirty-days written notice.

C. Paula is entitled to ₵1,000, because she tried to find another tenant immediately upon learning of Dave's intent to breach the contract, but was unable to re-lease the apartment until July 1st.

D. Paula is entitled to ₵500, which represent one-month's rent.

2. Tom and Jerry entered into a contract whereby Tom agreed to sell Jerry ₵1,000 worth of heroin, an illegal substance. This is an example of a:

A. quasi contract.

B. void contract.

C. voidable contract.

D. secondary party beneficiary contract.

3. Which of the following does NOT establish precedent in its judgment / award?

A. The High Court

B. Employment tribunal

C. The Court of Appeal

D. The Supreme Court

4. Which of the following is not a method of Alternative Dispute Resolution system?

A. Claims made to tribunals

B. Arbitration

C. The ombudsman scheme

D. Mediation

5. Which of the following is NOT a form of delegated legislation?

A. Orders in Council

B. By-laws

C. Statutory Instruments

D. Public Bills

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 statements is incorrect?

A. There is no difference in law between an offer and an invitation to treat.

B. An offer is a set of terms by which the offeror is willing to be bound.

C. In bilateral contracts the parties exchange promises.

D. Acceptance in contract may take effect through conduct and need not necessarily be communicated.

8. Where a contract does not stipulate an expiry date, it will remain open:

A. forever, until accepted by the offeree.

B. until expressly revoked by the offeror.

C. until a counter-offer is made.

D. for a reasonable time, after which it will automatically expire.

9. Where the offeror has promised to keep open an offer for a specific period of time, he/she:

A. may revoke the offer before the time has expired where this has been communicated to the offeree

B. must keep the offer open for this period of time.

C. may refuse to go ahead with contract if he/she changed his/her mind but failed to communicate this to the offeree

D. may revoke the offer before the expiry of the time limit only where he/she has obtained permission from the offeree.

10. Iverson Jewellers wrote a letter to Miller, "We have received an exceptionally fine self winding Rolox watch which we will sell to you at a very favourable price."

A. The letter is an offer to sell.

B. A valid offer cannot be made by letter.

C. The letter contains a valid offer which will terminate within a reasonable time.

D. The letter lacks one of the essential elements of an offer.

11. Sammy agreed to sell and Larry agreed to buy Sammy's car for €400, payable upon delivery. Sammy delivered and left the car with Larry. However, Larry failed to pay Sammy the €400. After eight years had passed following the delivery and acceptance of the car by Larry, Sammy sued Larry in state court for failure to pay him the €400. Based only on the above stated facts, which of the following statement is most accurate? Assume the UCC applies and the statute of limitations for oral contracts is two years and for written contracts is four years.

A. No contract was ever created between Sammy and Larry.

B. A contract was created but likely not enforceable because the statute of limitations has expired.

C. A contract was created, but it is only enforceable if it is in writing.

D. A contract was created and is enforceable.

12. 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.

13. 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.

14. On May 1, 2005, Eckerly Realty Inc. mailed a written offer to Masse for the sale of an office building. The offer included an express term that it would expire on June 30, 2005 if the acceptance was not delivered into the hands of the offeror by the expiration date. On June 30, 2005 at 8:00 a.m., Masse sent a written acceptance to Eckerly via Masse's personal messenger. However, the messenger was not able to deliver the acceptance until July 1, 2005.

On July 2, 2005, Eckerly contacted Masse, informing him that the acceptance had been delivered one day late. As a result, Eckerly refused to honor the acceptance. Which of the following is the most correct statement?

A. There is no contract between Eckerly and Masse. However, if Masse would have mailed the acceptance on June 30, 2005, a contract would have been created.

B. There is a contract between Eckerly and Masse. The moment that Masse gave the acceptance to the messenger, a contract was formed because acceptances are valid immediately upon dispatch.

C. There is a contract between Eckerly and Masse. The fact that the acceptance arrived only one day late is of no significance.

D. There is no contract between Eckerly and Masse.

15. Robert makes the following statement while negotiating the sale of his car, "This is the sharpest car on the market." His statement may support a claim for:

A. misrepresentation.

B. fraud.

C. fraud and misrepresentation.

D. none of the above.