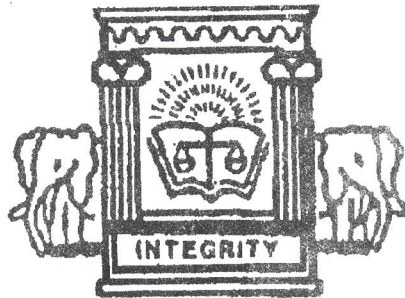


**THE INSTITUTE OF CHARTERED
ACCOUNTANTS (GHANA)**



**NOVEMBER 2005 EXAMINATIONS
(PROFESSIONAL)**

PART 1

**BUSINESS LAW
(Paper 1.4)**

Attempt ANY Five (5) Questions

TIME ALLOWED: 3 HOURS

QUESTION 1

- a. Under the 1992 Constitution, the laws of Ghana comprise the Common Law and others. Name the others and briefly discuss the Common Law. (10 marks)
- b. Write short notes on any two (2) of the following:
- i. Conditions and Warranties
 - ii. Specific Performance
 - iii. Re-insurance (10 marks)

(Total: 20 marks)

QUESTION 2

In relation to the terms of a Contract:

- a. Distinguish between Acceptance and Counter Offer. (8 marks)
- b. Discuss four (4) ways by which an offer may be terminated. (12 marks)

(Total: 20 marks)

QUESTION 3

- a. When is the buyer deemed to have accepted goods? (8 marks)
- b. Among the remedies of the buyer is the rejection of the goods. When has the buyer the right to reject? (12 marks)

(Total: 20 marks)

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- b. Among the remedies of the buyer is the rejection of the goods. When has the buyer the right to reject? (12 marks)

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QUESTION 4

- a. In the Bills of Exchange Act, 1961 (Act 55) under what circumstances may the notice of dishonour be generally dispensed with?
- b. In which cases is the notice of dishonour dispensed with as regards the drawer?

(Total: 20 marks)

QUESTION 5

- a. You are the Accountant of Delivery Company Limited. On behalf of your company you negotiated a business transaction with Shelter Company Limited, a real estate company. Shelter Company Ltd offered to sell a house to Delivery Company Ltd for three hundred million cedis (¢300,000,000). Your company agreed to pay two hundred and fifty million cedis (¢250,000,000) and tendered payment for one hundred and fifty million cedis (¢150,000,000) which Shelter Company Ltd promptly accepted and issued a receipt. It was agreed that the outstanding amount should be paid in two equal monthly instalments. Before the time was due you went to effect payment to Shelter Company Ltd but payment was refused on the grounds that the house had already been sold to CF Company Limited, and so you should get a refund of the paid sum. You are very dissatisfied by the turn of events and have recommended to your company, Delivery Company Ltd, to sue Shelter Company Ltd.

Discuss the legal issues involved and the remedies available to your company.
(16 marks)

- b. In an earlier transaction with Shelter Company Ltd, where your company was sponsoring a musical concert at a theatre owned by Shelter Company Ltd, the concert could not come on because on the eve of the concert the theatre was completely burnt by fire. You have also sued in respect of this matter.

What legal issues come to the fore and what are the chances of success?
(4 marks)

(Total: 20 marks)

QUESTION 6

- a. Distinguish between a Contract of service and a Contract for services. (8 marks)
- b. The Labour Act, 2003 (Act 651) protects the rights of a worker. Discuss these rights. (12 marks)

(Total: 20 marks)

QUESTION 7

- a. Define Vicarious Liability. (4 marks)
- b. Identify four (4) possible situations of Liability for the employer for the acts of his employees. (8 marks)
- c. What are the justifications for vicarious liability? (8 marks)

(Total: 20 marks)