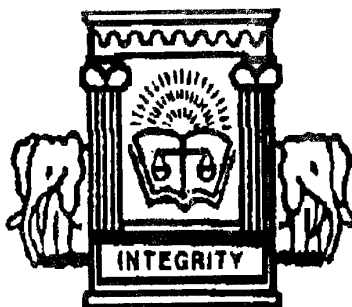


**THE INSTITUTE OF CHARTERED
ACCOUNTANTS (GHANA)**



**NOVEMBER 2006 EXAMINATIONS
(PROFESSIONAL)**

PART 1

**BUSINESS LAW
(Paper 1.4)**

Attempt ANY Five (5) Questions

TIME ALLOWED: 3 HOURS

QUESTION 1

- (a) Briefly explain the constituent parts of the laws of Ghana.

(20 Marks)

QUESTION 2

- (a) Explain misrepresentation in the law of contract.

(3 marks)

- (b) What are the requirements that must be satisfied in order for misrepresentation to give rise to an action?

(8 marks)

- (c) Briefly explain the types of misrepresentation under the law of contract.

(9 Marks)

(Total: 20 Marks)

QUESTION 3

S Real Estates Ltd offered to sell a three bedroom house to AB Company Ltd for two hundred and fifty million cedis (¢250,000,000). AB Company Ltd accepted the offer. Subsequently AB Company Ltd requested from S Real Estates Ltd if he could effect payment by installments, expecting to receive a reaction from S Real Estates Ltd within a month. S Real Estates Ltd within the month received two installments (payments) from AB Company Ltd. After receiving a third installment, S Real Estates Ltd had a better deal of three hundred million cedis (¢300,000,000) from MN Company Ltd and sold the property to them, and offered to refund AB Company Ltd's money to them. AB Company Ltd has refused the refund and has sued S Real Estates Ltd.

Discuss the legal issues involved in this matter.

(20 Marks)

QUESTION 4

(a) What is meant by an overdue bill?

(4 Marks)

(b) Explain how an overdue or dishonoured bill can be negotiated.

(16 Marks)

(Total: 20 Marks)

QUESTION 5

Discuss the ways in which an agent's authority may be terminated.

(20 Marks)

QUESTION 6

(a) Explain what a claimant must show for the defendant to be liable in damages.

(12 Marks)

(b) Briefly describe the following defences in negligence.

(i) Volenti non fit injuria

(ii) Contributory negligence

(8 Marks)

(Total: 20 Marks)

QUESTION 7

(a) Under what circumstances may a worker be declared redundant under the Labour Act?

(7 Marks)

(b) Outline the measures an employer is required to take before redundancy is declared.

(7 Marks)

(c) Which type of workers are not entitled to redundancy payments?

(6 Marks)

(Total: 20 Marks)