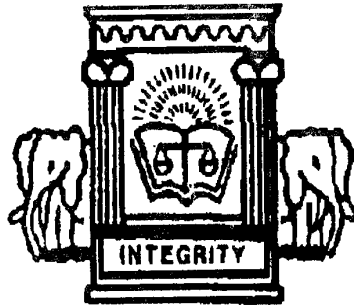


**THE INSTITUTE OF CHARTERED
ACCOUNTANTS (GHANA)**



**MAY 2008 EXAMINATIONS
(PROFESSIONAL)**

PART 1

**BUSINESS LAW
(Paper 1.4)**

Attempt ANY Five (5) Questions

TIME ALLOWED: 3 HOURS

QUESTION 1

- (a) Define an offer. *(4 marks)*
- (b) Explain the essential elements of a valid offer. *(8 marks)*
- (c) Describe **four (4)** ways in which an offer can be terminated. *(8 marks)*

(Total: 20 marks)

QUESTION 2

Joe Bodobodo purchased items worth GH¢10,000 from Akupa Shops Ltd. He was granted three months credit on the items purchased. He issued a bill addressed to Jango who owed him GH¢12,000 to pay Akupa Shops Ltd GH¢10,000 on a particular date after the credit period. When the bill matured and Akupa Shops Ltd presented it for payment it was dishonoured by Jango.

Give any **five (5)** rules by which Akupa Shops Ltd will give a valid and effective notice of dishonour.

(20 marks)

QUESTION 3

- (a) Explain what a plaintiff must prove to succeed in an action for the tort of negligence. *(12 marks)*
- (b) The Workmen's Compensation Law 1987 (PNDCL 187) provides for the payment of compensation by the employer to workmen for injuries caused by accidents arising out of and/or in the course of their employment.

Under what circumstance will the employer be absolved from the payment of compensation to a workman?

(8 marks)

(Total: 20 marks)

QUESTION 4

(a) (i) Explain what is meant by customary law *(4 marks)*

(ii) Under what circumstances does the Constitution prohibit a customary practice?

(4 marks)

(b) List the components of the laws of Ghana. *(6 marks)*

(c) Identify the Courts of Ghana and arrange them hierarchically. *(6 marks)*

(Total: 20 marks)

QUESTION 5

(a) What are the means of delivery of goods under the sale of Goods Act 1962, (Act 137)?

(12 marks)

(b) When can the property in goods pass under a contract of sale?

(8 marks)

(Total: 20 marks)

QUESTION 6

(a) When is an agency created by ratification?

(6 marks)

(b) What conditions must exist before an agency by ratification can be created?

(14 marks)

(Total: 20 marks)

QUESTION 7

(a) Outline the rights of a worker under the Labour Act 2003, (Act 651)

(12 marks)

(b) What are the remedies for unfair termination under the Labour Act 2003, (Act 651)?

(8 marks)

Total: 20 marks)