



Uva Wellassa University of Sri Lanka
Faculty of Science and Technology
Department of Computer Science and Technology
300 level 2nd Semester Examination Dec.2018 /Jan. 2019
IIT344-2 Business Law



1.

- a. Briefly discuss the difference between Partnerships and Joint Ventures. (5 mark)
- b. Ruwan wrote to Damith, offering to sell him a wood carving for Rs. 10,000.00. Two (02) days later, Damith wrote back to Ruwan, saying he would pay that amount but not for another two (02) months. Ruwan did not respond and Damith later on got to know that Ruwan had sold the wood carving to Isuru. Was there a contract between Ruwan and Damith? Justify your answer.

(15 mark)

2.

- a. Dinesh, who is a graphic designer, signed a contract with Reck's Advertising (Pvt) Ltd. The company's articles allow the directors by way of board resolution, to authorize any officer to sign contracts on behalf of the company. The CEO of Reck's Advertising, Mr. Namal Weerathunga signed the contract with Dinesh after producing a resolution authorizing him to sign the contract. Anyhow Dinesh is worried as to whether this resolution has passed properly by the company and whether the contract signed by Mr. Weerathunga is binding on the company. Dinesh wants to find out whether the indoor management rule is applicable in this situation or not. Advise Dinesh.

(10 mark)

- b. Priyantha is the sole owner of a yoghurt manufacturing business. Priyantha is interested in converting his business into a company. But he does not intend to have any other party as an owner of the company at the time of incorporation, even though he does not mind having a limited number of shareholders in another few years' time. Priyantha has heard that there are many types of companies recognized under the prevailing companies act in Sri Lanka, but does not know which type of a company will be suitable for his requirements. Explain to Priyantha the differences among the various types of companies accepted in Sri Lanka and advise him on the type of company which is most suitable for his requirements.

(20 mark)