



The University of the South
Pacific
Emalus Campus

Examinations
Semester 1 2007

SCHOOL OF LAW

COURSE NAME:	COMMERCIAL LAW
COURSE NO:	LA313
TIME ALLOWED:	THREE (3) Hours
READING TIME:	TEN (10) minutes
NUMBER OF PAGES: including this page	THREE (3) pages
NUMBER OF QUESTIONS ON PAPER:	SEVEN (7)
NUMBER OF QUESTIONS TO BE ANSWERED:	<u>FOUR (4) Only</u>
MARK ALLOCATED FOR EACH QUESTION:	FIFTEEN (15) marks
TOTAL MARKS:	SIXTY (60)

MATERIALS PERMITTED IN EXAMINATION ROOM:

None, apart from writing materials. This is a Closed Book Exam.

SPECIAL INSTRUCTIONS

Support all your answers by reference to relevant cases, legislation or treaties.

Attempt 4 questions only.

Some questions have a number of parts in which case all parts are to be attempted. The parts are of equal value, unless otherwise indicated.

Please do not turn over any page until you are told to do so.
Answer only FOUR (4) questions.

Approved. J. Repasko (KOS) 19/05/07.

Question 1. (15marks)

Micro-Electronics agreed to purchase 15 tonnes of hydrogen fuel from Gas Enterprises. The price for the contract was fixed at \$10,000. Micro-Electronics was issued with a delivery note to collect the hydrogen but could not find the appropriate trucks to carry out the loading. As a result of this delay, it was later discovered that there was damage to the storage tanks housing the hydrogen fuel.

Advise Gas Enterprises.

Question 2. (15 marks)

Critically examine the essential features of 3 classes of intellectual property rights in the South Pacific.

Question 3. (15marks)

Write Notes on **ALL** of the following:-

- (a) Utmost good faith
- (b) Drawer
- (c) Amortisation plan
- (d) Promissory notes
- (e) Bill of exchange

Question 4. (15 marks)

Creators Limited, a manufacturer of resins, agrees to buy 2 tonnes of latex from Green Plantations Limited. The agreement was signed on 12 January, 2007. The price was to be determined by a sale consultant who acts as an independent party between the two. The date of delivery has been scheduled for 30th of January 2007. On 15th of January 2007, Green Plantations Limited sets aside 1 tonne of latex from its warehouse for the purpose of carrying out the agreement. The other tonne of latex is to be extracted from its rubber trees 5 days before the date of delivery. However, because of a strike by the field staff of the company, the one tonne of latex was not extracted. On the due date of delivery, the company asked Tough Riders, a transport company, to delivery 1 tonne of latex to Creators Limited. Due to heavy traffic jam, the truck conveying the latex was delayed and the consignment had to be transferred to the Railway Company for onward transmission to Creators Limited. On arrival, Creators Limited discovered that the 1 tonne of latex had been exposed to severe heat and had already partly lost its texture. Creators Limited refused to take delivery of the tonne of latex.

Advise Green Plantations Limited.

Question 5. (Answer both parts) (15marks)

- (a) Discuss the legal aspects of fair trading in the South Pacific. (10marks)
- (b) How successfully are deceptive advertisements being regulated by the law? (5marks)

Question 6. (15marks)

South Seas Limited, a freight company, was consigned to transport 10 tonnes of fresh tomatoes to Oceania Foods Limited. On the high seas, the ship conveying the tomatoes developed engine problems. The captain of the ship had to anchor in a nearby port in order to save the ship and its crew. As it was taking too much time to get the ship repaired, the

captain of the ship decided to sell the 10 tonnes of tomatoes to a local vegetable dealer. He then remitted the money to Oceania Foods Limited who refused to accept it. Advise South Seas Limited.

Question 7. (15 marks)

Salvo Marine is an engineering firm specialising in salvage operations at sea. It uses sophisticated satellite data and unmanned robots to probe the depth of the ocean floor in salvage operations. In one of its routine training exercises, it located and salvaged a cargo ship in the Atlantic. The ship sunk 50 years ago. Future Insurance Company has filed an action in court claiming the ownership of the sunken ship and its cargo. The claim was based on the fact that the ship had been insured with it and Future Insurance Company has long compensated the ship-owners.

Advise Salvo Marine on its rights.

END OF PAPER.