

**INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN**

**EXAMINERS' COMMENTS**

<b>SUBJECT</b>	<b>SESSION</b>
Business Law	Certificate in Accounting and Finance (CAF) Autumn 2022

**Passing %**

Question-wise										
1	2	3	4	5	6	7	8	9	10	Overall
39%	62%	42%	80%	43%	39%	13%	27%	45%	45%	41%

**General comments**

A slight decrease in overall result was observed in this session as 41% of examinees secured passing marks compared to 45% in the previous session.

Below-average performance was observed in question number 7 and 8 which may largely be attributed to selective studies and failure to identify and apply relevant knowledge of the law to scenario-based questions. Examinees are advised that while attempting scenario-based questions, they should first determine the core issue(s) and then identify and apply the relevant provisions of law applicable to the issue.

**Question-wise common mistakes observed**

**Question 1**

- Performance in MCQ no. (iii), (iv), (vii), (viii), and (xi) was below average.
- It is advised to write the correct option number only instead of writing the entire wording of the option.
- Few examinees either attempted to overwrite their choices instead of clearly mentioning the selected option legibly; or selected two options instead of one due to which marks could not be awarded.

**Question 2**

Examinees were not able to address all the requirements of this question; and focused on the advantages and disadvantages of the delegated legislation only.

**Question 3**

- Examinees were not able to identify that Aftab may issue a bill of exchange in settlement of both transactions.
- Few examinees prepared drafts of all types of negotiable instruments instead of giving due consideration to the scenario.

**Question 4**

Good performance was observed in both parts of this question.

**Question 5(a)**

Good performance was observed in this part of the question.

**Question 5(b)**

Examinees were not able to determine that the agreement between Rahim and Nadir is void being a wagering agreement; due to which Rahim cannot file any suit against Nadir.

**Question 5(c)**

- Examinees were not able to identify that the contract comprised of reciprocal promises.
- Examinees did not discuss that the contract was voidable at Rahim's option and that he was entitled to get damages from OL.

**Question 5(d)**

Examinees were not able to conclude that Rahim has effectively rescinded the contract and OL cannot demand performance from Rahim.

**Question 6(a)**

- Examinees gave general statements and were unable to identify the operational arrangements required to be established by the operators of a designated payment system.
- Few examinees repeatedly mentioned the same points using different wordings; hence lost precious time.

**Question 6(b)**

Examinees answered this part of the question as per the provisions of the Anti-Money Laundering Act, 2010 instead of the Prevention of Electronic Crimes Act, 2016 which was a specific requirement of this part of the question.

**Question 6(c)**

Examinees gave irrelevant answers and were not able to identify the powers of an arbitrator under the provisions of the Arbitration Act, 1940.

**Question 7(a)(i)**

Examinees were not able to determine that salaries can be paid to Noman and Salim only if all the partners of DT agree to provide such remuneration.

**Question 7(a)(ii)**

Examinees did not discuss that Salim's argument is invalid; as sharing of personal profits earned by partners is subject to a contract between partners in certain prescribed situations/circumstances which were not satisfied in the given scenario.

**Question 7(a)(iii)**

Examinees did not discuss that 6% interest p.a. may be paid to Ahmed on payment beyond the amount of capital. Accordingly, he is entitled to receive a profit of Rs. 18,000 only.

**Question 7(a)(iv)**

Examinees were not able to conclude that Noman's claim on DT's goodwill is not valid.

**Question 7(b)**

Examinees covered only one of the two possible scenarios instead of both the possibilities in their answer i.e. where Sarah decides to become DT's partner; and where Sarah decides not to become DT's partner.

**Question 8**

Examinees did not discuss that the payment made by Wajahat can be adjusted at the discretion of Sultan and if Sultan does not make an appropriation, the payment will be adjusted in order of time, including time-barred debt.

**Question 9(a)**

Examinees were not able to identify the grounds by virtue of which Kazim's offer of performance is rendered invalid.

**Question 9(b)(i)**

Examinees were not able to determine that Kazim will not be able to sue Zainab because time was the essence of the contract and he did not deliver goods on the specified time.

**Question 9(b)(ii)**

Good performance was observed in this part of the question.

**Question 10(a)**

Examinees ignored one of the requirements of this part of the question; and did not describe the time frame after which a proposal cannot be revoked.

**Question 10(b)**

Examinees did not mention that in the given scenario, the contract must be performed within a reasonable time.

***(THE END)***