

INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN	
EXAMINERS' COMMENTS	
SUBJECT Business Law	SESSION Certificate in Accounting and Finance (CAF) Spring 2022

Passing %

Question-wise										Overall
1	2	3	4	5	6	7	8	9	10	
67%	68%	3%	32%	29%	36%	55%	73%	15%	56%	45%

General comments

Overall performance of examinees was satisfactory in this paper. However, below average individual performances in question number 3, 5 and 9 were observed which may largely be attributed to selective studies and failure to identify and apply relevant knowledge of law to scenario-based questions. Examinees are advised that while attempting scenario-based questions, they should first understand the core issue(s) being examined in the question then identify and apply the relevant provisions of law applicable to that issue. Mentioning of the entire provisions of the laws is not a good examination technique as it will not only result in framing of answer which does not match with the requirement of the scenario, but will also result in wastage of precious examination time.

Question-wise common mistakes observed

Question 1

- Performance in MCQ no. (i), (iv), (vii), (xiii) and (xv) was below average.
- Many examinees wasted precious examination time by writing the entire wordings of the correct choice instead of mentioning the correct option number.
- Some of the examinees attempted to overwrite their choices instead of clearly mentioning the selected option legibly.

Question 2

Good performance was observed in this question.

Question 3(a)

- Examinees were not able to identify the distinct nature of the proposals presented by Salman and thus they were not able to distinguish between them.

- Examinees were not able to conclude that proposal no. (i) can be executed if one more partner of KTC agrees to it besides Akmal and Salman whereas proposal no. (ii) cannot be executed since change in nature of firm's business cannot be made without consent of all partners.

Question 3(b)

- Examinees were not able to correctly identify the statutory rights/duties of Zara and Zaheer which can be restricted/extended in Zara's favour in respect of Zaheer Bridals.
- Few examinees gave irrelevant answers by stating such rights and duties of partners under the Partnership Act which cannot be altered by way of a partnership agreement.

Question 4(a)

- Examinees were not able to conclude that XBL will be liable towards the true owner of the cheque in the given scenario.
- Examinees also did not discuss the exception that if cheque was altered and funds were transferred by XBL in good faith and without negligence then it will not be liable.

Question 4(b)

Examinees were not able to determine that RNBL will not incur any liability for receiving funds from XBL even if the customer had no title or defective title thereto.

Question 4(c)

Examinees were not able to explain the circumstances in which a banker must refuse payment of a cheque in accordance with the provision of the Negotiable Instruments Act.

Question 5(i)

Examinees were not able to determine that BT will be held liable towards IL whereas AB will be held liable towards BT.

Question 5(ii)

Good performance was observed in this part of the question.

Question 5(iii)

Examinees were not able to determine that BT's excuse is not valid as political unrest/civil disturbances do not render a contract void on account of supervening impossibility and that OL is not bound to accept machines imported from Taiwan.

Question 5(iv)

Good performance was observed in this part of the question.

Question 5(v)

Most of the examinees were not able to identify that agreement is void due to uncertainty of price and that BT cannot be held liable towards HL for breach of contract.

Question 6(a)

Examinees were not able to identify the circumstance in which a contingent contract cannot be enforced. Most of the examinees repeatedly mentioned same circumstances using different wordings.

Question 6(b)

Good performance was observed in this part of the question.

Question 7(a)

Good performance was observed in this part of the question.

Question 7(b)

Examinees either defined the term on the basis of their general knowledge without any context to the provision of the law or provided incomplete explanation.

Question 7(c)

Although many examinees listed five practices as required, most of the practices were, in fact, the same in different wordings.

Question 8

Good performance was observed in all parts of this question.

Question 9(a)

Examinees were not able to discuss all the remedies available to NIL in the given scenario. For list of all remedies, examinees are advised to refer to ICAP's suggested solution.

Question 9(b)

- Examinees were not able to determine that PF's offer of performance is not valid.
- Most of the examinees were not able to identify NIL's right to accept the part performance of the contract and thus they were not able to deduce that it will be considered as remission of the contract.

Question 10(a)

Examinees were not able to identify the circumstances in which a constructive contract may be formed.

Question 10(b)

Good performance was observed in this part of the question.

(THE END)