

INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN

EXAMINERS' COMMENTS

SUBJECT	SESSION
Business Law	Certificate in Accounting and Finance (CAF) Spring 2023

Passing %

Question-wise										Overall
1	2	3	4	5	6	7	8	9	10	Overall
37%	29%	59%	2%	26%	43%	14%	66%	50%	41%	31%

General comments

A decrease in the overall result was observed in this session, as 31% of examinees secured passing marks, compared to 41% in the previous session.

Below-average performance was observed in question number 2, 4, 5, and 7. This was mainly because examinees failed 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. (iv), (v), (viii), and (x) was below average.
- It is advised to write only the correct option number 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(a)

Examinees did not mention that in case of any emergency, Haroon as DC's agent shall have the authority, to take all necessary actions for the purpose of protecting DC from potential loss as would be done by a person of ordinary prudence, in his own case, under similar circumstances.

Question 2(b)

Examinees did not describe Sarah's acts that would bind DC and instead entirely focused on the second part of the question, which required the identification of restrictions on Sarah's implied authority as DC's partner.

Question 2(c)

Examinees did not discuss that DC must ensure that the bill of exchange contains an unconditional order to pay and that all parties mentioned on the bill of exchange are certain.

Question 2(d)

Examinees did not mention that a holder in due course must fulfill all the essentials of a holder and must be a holder for valuable consideration.

Question 3

Examinees did not mention that an Ordinance promulgated in Pakistan shall have the same effect as an Act of Parliament.

Question 4(I)

- Examinees only focused on evaluating ST's act of barring PE from accessing the commissioning site and ignored to discuss that PE's demand for payment of custom duty was itself not justified.
- Examinees ignored the second part of the question and did not identify the remedies available to the contracting parties.

Question 4(II)

Examinees did not identify that PE had not employed coercion on ST in the given scenario and instead established that coercion had been applied by PE. Resultantly, examinees were not able to correctly determine the relative positions and remedies available to the contracting parties.

Question 5(a)

Examinees did not discuss that under the given circumstances, Karim may file a suit against Zain on grounds of undue influence.

Question 5(b)

Examinees did not discuss that Karim's promise to transfer the land to Wajid cannot be enforced, however, his promise to reimburse the expenses paid by Wajid in respect of the suit would be valid.

Question 6(a)

Examinees mostly covered only two rules that related to simultaneous performance and order of performance.

Question 6(b)

Examinees did not discuss the effect on the enforceability of a contract wherein consent is caused by mistake as to a matter of fact or by mistake as to a law not in force in Pakistan.

Question 7(a)

Examinees did not discuss that the contract can be enforced, however, two of the contract terms would be void due to the following reasons:

- Kamran cannot be restricted from undertaking lawful business to sell paintings in any locality including Karachi because he has not sold the goodwill of his business and is merely a participant of the exhibition.
- Kamran cannot be completely barred from enforcing his rights under or in respect of the contract through regular legal proceedings in the ordinary tribunals. Consequently, Adil cannot restrain Kamran in this regard.

Question 7(b)

Examinees did not discuss that in the given scenario Kamran's consent to the contract was not freely obtained, therefore, the contract would be voidable at the option of Kamran and he may either insist that his credentials are displayed prominently or he may choose to withdraw from the contract by refusing to participate in the exhibition.

Question 8(a)(I)

Examinees did not discuss that since Saiqa and Alia are joint promisors, Saiqa would be compelled to pay the remaining amount of the loan to Faizan in the given scenario.

Question 8(a)(II)

Examinees did not discuss that since Saiqa and Alia are joint promisors, Faizan can recover the loan amount from Saiqa in the given scenario.

Question 8(b)

Some examinees mentioned the situations in which supervening impossibility is not acceptable instead of listing the acceptable grounds for supervening impossibility.

Question 9(a)

Examinees either gave irrelevant answers or repeated the same points instead of identifying four distinct circumstances under which SBP may revoke the designation of a designated payment system under the provisions of the Payment Systems and Electronic Fund Transfers Act.

Question 9(b)(i)

Examinees did not explain the 'Geographic market' as per the provisions of the Competition Act and gave irrelevant/generic answers.

Question 9(b)(ii)

Examinees only mentioned that deceptive marketing practices shall be deemed to have been resorted if an undertaking resorts to the distribution of false or misleading information that is capable of harming the business interests of another undertaking. The other practices that are considered as deceptive marketing practices as per the provisions of the Competition Act were not identified.

Question 10(a)

Examinees defined the principle of 'Holding out' correctly, however, they did not state the exception to the principle.

Question 10(b)

Examinees did not mention that the property of the partnership firm includes the goodwill of the business.

(THE END)