

UNIVERSITY OF COLOMBO, SRI LANKA  
FACULTY OF LAW  
**DEGREE OF MASTER OF LAWS IN COMMERCIAL LAW – 2024/25**  
SEMESTER I END EXAMINATION

**International Business Law – TLLM 11313**  
(Three Hours)

Total Number of Questions: 04

Answer any **THREE (03)** Questions and **no more**.  
(Candidates will be penalised for illegible handwriting.)

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1. "Harmonized law is designed to address two significant challenges commonly encountered in international trade law: the uncertainty and unpredictability that often arise, particularly when determining the governing law of contracts."

Comment on the above statement in light of *lex mercatoria* as a foundational element for the evolution of modern commercial law. Substantiate your answer with relevant authorities.

(20 Marks)

2. The increase in cross-border trade and business has made effective dispute settlement mechanisms for commercial disputes essential, as they provide a neutral forum for resolving conflicts between parties.

Critically discuss how these mechanisms contribute to global economic stability and what challenges may emerge in ensuring fairness and effectiveness across different legal systems. Support your answer with relevant authorities.

(20 Marks)

3. Answer **Either (A) or (B)**.

- A. Sunithra, a textile exporter from Mumbai, shipped a consignment of premium silk fabrics to a buyer in Brisbane under a contract of carriage through Oceanic Freight Lines, accompanied by a bill of lading that confirmed the goods were in good

condition when loaded. The shipment, however, faced a two-week delay due to a technical failure in the ship's engine. During this time, the fabrics were stored improperly. Upon arrival, the buyer found many of the silk fabrics were damaged and deemed them unfit for use, leading to a refusal to accept delivery. Meanwhile, the carrier denied liability, citing legal immunities and claiming that the goods were not properly packed.

Discuss the legal issues arising from the above situation. Support your answer with relevant authorities.

(20 Marks)

- B. The core principle of a CIF contract is that the seller fulfills their obligations by providing the necessary documentation that proves the goods are in conformity with the contract, rather than by physically delivering the goods themselves.

Do you agree? Compare the rights and responsibilities of buyers and sellers under CIF and FOB terms in an international sale of goods contract. Support your answer with relevant authorities.

(20 Marks)

4. Anton, a textile exporter in Country A, issued a bill of exchange to Fred, an importer in Country B, for \$ 100,000, payable in 90 days. To meet his immediate cash flow needs, Anton discounted the bill with his bank "without recourse". Fred defaulted on the payment at maturity due to financial difficulties.

Discuss the legal remedies available to the bank as the holder of the bill of exchange and discuss the role of international conventions in resolving cross-border disputes in such situations. Explain how could arbitration clauses included in the bill and the involvement of financial institutions enhance the enforceability of the payment obligation in a bill of exchange.

(20 Marks)

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