PRIFYSGOL ABERYSTWYTH UNIVERSITY

SEMESTER ONE EXAMINATIONS, 2025/26

DEPARTMENT OF LAW AND CRIMINOLOGY

LC36220 COMMERCIAL LAW

Time allowed: TWO hours

Answer TWO questions

Candidates are permitted to take ONE A4 page of handwritten or typed notes (both sides) into the examination.

Please state clearly which question(s) you are answering.

STUDENTS MAY SUBMIT ANSWERS TO THIS PAPER IN EITHER WELSH OR ENGLISH

Once seated, students may complete the front cover of the answer book(s) and the attendance slip ONLY.

DO NOT TURN THE EXAMINATION QUESTION PAPER OVER UNTIL INSTRUCTED TO DO SO.

1. AgriChem (the seller) supplies raw chemicals to FarmFoods (the buyer), a manufacturer of specialised animal feed. The standard terms for AgriChem include the following clause:

Title to all goods supplied shall remain with the seller until the buyer has paid for them in full. If the goods are incorporated into or used in the manufacture of other products, the seller shall have legal and beneficial title to the new product as security for the payment of the original goods. Furthermore, the buyer holds any proceeds of sale of the new product, or any produce derived therefrom, and agrees to account for such proceeds immediately upon receipt.

On November 1st, AgriChem delivered £20,000 worth of Chemical X to FarmFoods. FarmFoods immediately mixed all of the Chemical X with their own cereal to produce a specialised animal feed called MaxiFeed. It is unclear as to whether the chemical properties of Chemical X can be separated once combined with other products. FarmFoods has since sold £10,000 of the resulting MaxiFeed to customers on credit, and the rest remains in their warehouse.

On December 1st, FarmFoods entered liquidation, owing AgriChem the full £20,000 for Chemical X. The unsold MaxiFeed remains in the warehouse and the £5,000 in proceeds of sale is yet to be collected.

Advise AgriChem on their legal position regarding the MaxiFeed in the warehouse and the proceeds of sale.

[50%]

2. Mr Jones, a consumer, applied for home insurance policy with Home Insurers Ltd. The application form asked: “Have you been convicted of any criminal offence(s)?” Mr Jones ticked “No”.

In fact, Mr Jones has a conviction from 2020 for fraud by false representation. He admits he deliberately ticked “No” because he considered the question an invasion of his privacy.

Six months later, his home was burgled, and £60,000 of contents were stolen.

Home Insurers Ltd discovered the conviction during the claim investigation. Its underwriting records confirm that had the conviction been disclosed, the insurer would have offered cover but with a 25% higher premium.

Advise Home Insurers Ltd on its rights and remedies under the Consumer Insurance (Disclosure and Representations) Act 2012. Your answer must identify the category of misrepresentation and determine the remedy available to the insurer. In addition, consider whether your answer would change if Mr Jones ticked “No” because he genuinely believed that the conviction had been spent (no longer active) and that he failed to check his official records.

[50%]

3. Aber Accountants Ltd ("Aber"), a busy accountancy firm, decides to upgrade its computer systems. Aber’s managing partner, Ben, contacts Business Laptops PLC ("BLP"), a specialist IT supplier.

Ben tells the BLP sales representative, "We need 20 laptops for the new financial year. They must be powerful enough to run 'TaxCalc 2026', a new piece of financial modelling software. This is our priority. We also need them to have excellent battery life for client-site visits." The representative recommends the "Exec-Pro 1000" model, stating, "This is our best-seller for professional services. It has the latest i7 processor; it will handle anything you throw at it, and the battery is first-class." Ben, relying on this, places the order.

The 20 laptops are delivered, and Aber’s IT department spends three weeks installing their proprietary software. In the fourth week, the accountants begin using them. They immediately discover two problems:

- The 'TaxCalc 2026' software runs, but so slowly that it is almost unusable for complex modelling, significantly impacting their productivity.
- The battery life, even with minimal use, is consistently under two hours.

When Ben complains, BLP's representative replies, "The laptops meet the i7 processor spec we agreed. The 'TaxCalc' issue is a software problem, not our hardware. As for the battery,

the manufacturer's technical sheet, which was available on our website, clearly states 'estimated 2-4 hours battery life'."

Separately, Aber's reception manager needs a basic laptop for the front desk. The same representative says, "I can give you a 40% discount on this ex-display 'BasicBook' model. It's 'sold as seen', and the discount reflects a large scratch on the lid." The manager inspects the laptop, notes the scratch, and agrees. The laptop is delivered with a power charger. Two days later, the 'S' key on the keyboard becomes intermittently stuck. Furthermore, the power charger (which was not the original one supplied by the manufacturer) overheats to a dangerous degree, melting part of the desk. The manager's inspection did not involve testing the charger.

Advise Aber Accountants Ltd on any claims they may have against Business Laptops PLC under the Sale of Goods Act 1979.

[50%]

4. Critically analyse the implied terms provided in s.12 of the Sale of Goods Act 1979 (as amended). Your answer should be supported with reference to relevant case law.

[50%]

5. Critically discuss, with reference to relevant statutory provision and case law authority, whether the remedies provided for in the Sale of Goods Act 1979 (as amended) afford the seller adequate protection in the event that the buyer fails to perform his obligations under the contract of sale.

[50%}

END OF PAPER