

EXAMINATION QUESTION PAPER - Written examination

EXC 21211

International Commercial Law

Department of Law and Governance

Start date: 02.12.2017 Time 11.00

Finish date: 02.12.2017 Time 14.00

Weight: 100% of EXC 2121

Total no. of pages: 3 incl. front page

No. of attachments files to
question paper: 0

Examination support materials permitted:

- Alle trykte og håndskrevne hjelpebidrifter
- BI-definert eksamenskalkulator
- Enkel kalkulator
- Tospråklig ordbok

Max no. of answer paper attachment files: 0

Allowed answer paper file types: pdf

Re-sit Ordinary

1. What do we mean by the term “frustration of contract”? Give at least three examples of situations that can constitute a frustration of contract. (10%)
2. What is a Letter of Credit, and how does it work? (10%)
3. Do you consider competition law(s) to be an advantage for consumers? If so, explain why. (10%)
4. In a long distance sales and purchase contract for goods, should the seller or buyer take out cargo insurance? Outline in short what a cargo insurance covers. (10%)
5. Provide 5 examples of risks commonly associated with international sales contracts. (10%)
6. A Norwegian producer of glassware entered into negotiations with a French interior decoration chain discussing the potential import and distribution of Norwegian handmade crystal glasses in France. The negotiations started in the middle of August 2016. There were prolonged negotiations, including meetings in Paris and Oslo. On June 1st. 2017, an offer was sent from Mr. Hansen, the Norwegian company`s sales director, to the sale and purchase director, Mr. Pierre, in the French company. The offer was for monthly deliveries of exclusive glasses, with a minimum and maximum amount per month as stated in the contract. The specifications of the glasses, as well as the quality required was set out in the sales contract. The contract also contained detailed prices. The start date for deliveries was set at 1st. July 2017.

The contract also contained a jurisdiction clause stating that Norwegian law would apply and jurisdiction would be in Oslo.

The offer was accepted by the sales director in France on June 3rd. 2017.

The first delivery of glasses was packed in a container and sent from the Norwegian producer on July 1st 2017. It was delivered to the terminal in the port of Bergen, in order to be loaded onboard a ship appointed by the French company. The INCOTERM used was CPT. The value of the glasses was 1.1 million NOK.

The ship arrived in Le Havre on July 5th, and the container was transported by a truck to the buyer`s premises in Paris. When the buyers offloaded the

container, there was an accident and the container fell from the truck to the ground.

When opening the container, it was discovered that approximately 25% of the glasses were broken and had to be sent for destruction. The cause was considered to be the accident with the container. Further, 10% of the glasses were not according to the specifications.

The French company claimed compensation for both the broken glasses and the glasses that were not according to specifications in the contract.

Due to holiday season in France, the notification to the seller of the damages and the non-contractual glasses was not sent until August 10th 2017. The Norwegian company rejected liability on the grounds that the notification was sent too late, and that the glasses were damaged whilst in the care of the buyer. As for the glasses that were not in accordance with the specifications, the buyer said they were so similar that subsequent buyers would probably not note the difference.

Questions (counts total 50%)

1. Will CISG apply to this case?
2. Was the notification of the claim sent in time?
3. Can the French company claim compensation from the Norwegian company for the broken glasses? If so, what can they claim?
4. Would it make a difference to the above claim if the contract had been based on INCOTERM EX Works Clause?
5. Can the French company claim compensation from the Norwegian company for the non-conforming glasses? If so, what can they claim?
6. Who must pay the export and import taxes on the glasses?
7. Can the Norwegian company demand that the disputes shall be resolved according to Norwegian Law and by arbitration in Oslo?