EXAMINATION QUESTION PAPER - Written examination

EXC 21211
International Commercial Law

Department of Law and Governance

Start date:	31.05.2017	Time 09.00
Finish date:	31.05.2017	Time 12.00

Weight:	100% of EXC 2121
Total no. of pages:	4 incl. front page
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Examination support materials permitted:	All
Max no. of answer paper attachment files:	1
Allowed answer paper file types:	pdf
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Exam commercial law spring 2017

1. (10%)

a)

Can the parties to a contract meet any restrictions when choosing an applicable law to govern the contract?

b)

Is jurisdiction and applicable law the same?

2. (10%)

Outline the risks specific for international sales of goods.

3. (10%)

Give an overview of what a cargo insurance policy normally covers. In addition, explain who should take out such a cover, the buyer or the seller

4. (10%))

In the middle of May 2016 the company Exporter Ltd (seller) in Germany enters into a contract with the Importer Inc. (buyer) in Norway for the sale and purchase of 3500 “Lucky Brand” radios. The sale is CIF Oslo, and the buyer will pay through a Letter of Credit (LoC) issued by the “Bank Ltd” in Oslo.

Describe the essential duties of Exporter Ltd in their performance under such CIF contract pertaining to the radios and the documents. This includes documents needed for the LoC to be enforced. Also explain who has to arrange for and pay for transportation under the CIF term, and who bears the transport risk.

5. (10%)

Why do we have competition rules?

6. (50%)

A Spanish seller entered into a contract with a Norwegian buyer for the sale of 40 tons of paprika powder (“powder”) for use in various spice mixes intended for onward sale. The contract was entered into in March 2016, and the delivery date was June 15th. The purchase sum was paid prior to delivery. The contract specified that the powder needed to be steam-treated to reduce any microbe levels therein

The buyer`s intention was to sell the powder on to Finnish buyers, but a contract for resale had not yet been entered into. The seller in Spain knew the buyer would resell the powder for mixing of spices.

The powder was delivered to the buyer on time and was stored for three weeks before being examined by Norwegian health authorities. The laboratory sample tests established that the powder had been treated with radiation instead of steam. Under a European Union directive, all consumer products treated with radiation must be marked as such in the packaging of the goods, since most consumers do not wish to purchase products treated with radiation.

According to the buyer, it would be difficult to resell the powder in Europe, rendering the powder useless for the purpose for which the buyer intended it. The powder was sent for destruction, which cost 80.000 NOK. The buyer notified the seller by phone on July 20th that they wanted to void the contract, send it for destruction, and seek compensation for costs and loss of profit. They also demanded a refund of the purchase price. A written notification was sent on September 20th.

The seller repudiated the claim saying the powder was in accordance with the contract, the notification was too late, and that the buyer could not claim damages for loss of profit since there was no contract for resale. The seller also said the buyer could have mitigated their loss by reselling the powder outside of Europe.

Questions:

a)

Is the purchase of the paprika powder governed by CISG?

b)

Was the notification of the claim(s) given on time?

c)

Is there a breach of contract between the parties?

d)

Can the buyer avoid the contract?

e)

Can the buyer claim compensation for anticipated loss of profit and destruction costs?