



**KOLEJ YAYASAN PELAJARAN JOHOR
FINAL EXAMINATION**

COURSE NAME : BUSINESS LAW
COURSE CODE : DAC2093
EXAMINATION : JANUARY 2024
DURATION : 3 HOURS

INSTRUCTION TO CANDIDATES

1. This examination paper consists of **TWO (2)** parts :
PART A (25 Marks)
PART B (75 Marks)
2. Answer **PART A** in the objective answer sheet and **PART B** in the answer booklet.
3. Candidates are not allowed to bring any material to examination room except with the permission from the invigilator.
4. Please check to make sure that this examination pack consist of:
 - i. Question Paper
 - ii. Objective Answer Sheet
 - iii. Answer Booklet
 - iv. The Contracts Act 1950
 - v. The Sale of Goods Act 1957
 - vi. The Hire Purchase Act 1967
 - vii. The Partnership Act 1961 and The Specific Relief Act 1950

DO NOT TURN THIS PAGE UNTIL YOU ARE TOLD TO DO SO

*This examination paper consists of **11** printed pages including front page*



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PART A

This part contains **TWENTY FIVE (25)** questions.

Answer **all** questions in the Objective Answer Sheet.

1. Subsidiary legislations are considered important because
 - A they deal with the general principles of the law.
 - B they form the majority of the laws currently in force in Malaysia.
 - C they are made by the Parliament and the State Legislative assemblies.
 - D they provide a prompt and quick solution to certain matters because they are simple and can be passed easily.

2. Which of the following statement is TRUE?
 - A The Federal Constitution can be amended by a simple majority.
 - B Public law governs the relationship between one state to another.
 - C Private international law governs the relationship between one individual to another.
 - D Criminal law codifies the various offences committed by an individual against the state.

3. Which of the following sections state the rule regarding certainty of terms under the contract?
 - A Section 15 of the Contracts Act 1950.
 - B Section 20 of the Contracts Act 1950.
 - C Section 30 of the Contracts Act 1950.
 - D Section 74 of the Contracts Act 1950.

4. *"Acceptance must be made in the usual and reasonable manner."* Which of the following cases highlights this rule?
 - A FRASER v EVERETT
 - B ELIASON v HENSHAW
 - C FELTHOUSE v BINDLEY
 - D CARLILL v CARBOLIC SMOKE BALL CO. LTD.

5. This case states the effect of a counter offer.
- A R v CLARKE
 - B IGNATIUS v BELL
 - C HYDE v WRENCH
 - D ROUTLEDGE v GRANT
6. Ahmad, who is 15 years old, made a contract of insurance with AIA without the written consent of his parents. Can the contract be enforced against him?
- A No, because he is a minor.
 - B Yes, because the contract is for his necessities.
 - C Yes, because a minor can enter into a contract of insurance.
 - D No, because a minor below 16 years of age requires a written consent from his parents or guardian.
7. Chen, who was drunk, agreed to sell his land to Bidin. State the effect of the contract.
- A The contract is void.
 - B The contract is valid.
 - C The contract is illegal.
 - D The contract is voidable.
8. Mek agrees to sell to Man "a hundred tons of oil" for the price of RM25 per ton. Mek is a dealer of coconut oil.
- A The agreement is valid.
 - B The agreement is void for uncertainty.
 - C The agreement is void because it was made orally.
 - D The agreement is void as the consideration is inadequate.

9. Which of the following remedies is most suitable for a breach of a contract of a sale of an antique vase?
- A Damages
 - B Injunction
 - C Quantum meruit
 - D Specific performance

10. Yap offered to buy Chen's house and gave him three months to think about his offer. Two weeks later Yap changed his mind and posted a letter revoking the said offer. Chen received the revocation notice three days after it is posted.

Decide the sequence that can be applied to the scenario above.

- i Section 2(a)
- ii Section 5(1)
- iii Section 6(a)
- iv Section 4(3)

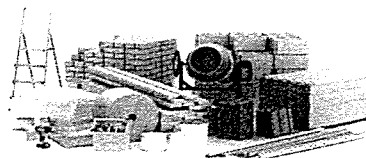
- A i, ii, iii, iv
- B ii, iv, iii, i
- C i, iii, ii, iv
- D iv, i, ii, iii

11. Which of the following is TRUE regarding intention to create legal relations?
- A There is no intention presumed in both agreements.
 - B Intention is presumed to exist in business agreements only.
 - C Intention is presumed to exist in both business and domestic agreements.
 - D Intention is not presumed to exist in domestic agreements even though the agreement is made in writing and signed by the parties making it.

12. What is the difference between damages and specific performance?
- A Damages is money compensation awarded for loss suffered by the plaintiff while specific performance is a court order requiring the contract to be performed.
 - B Damages is a court order prohibiting the defendant from doing certain acts while specific performance is a court order requiring the contract to be performed.
 - C Damages is a court order requiring the contract to be performed while specific performance is money compensation awarded for loss suffered by the plaintiff.
 - D Damages is money compensation awarded for loss suffered by the plaintiff while specific performance is a court order prohibiting the defendant from doing certain acts.
13. What does the maxim "*delegatus non potest delegare*" means?
- A An agent cannot make a secret profit.
 - B An agent cannot delegate his duties to another person.
 - C An agent must act in good faith in the interest of his principal.
 - D An agent must pay the principal all sums received on his behalf.
14. Marissa asked Sham, a real estate agent, to sell her house for RM500,000 but before Sham could find a buyer, Marissa was approached by June who wants to buy the house for RM550,000. Based on the situation, can Marissa sell her house to June?
- A No, because Marissa has already appointed Sham as her agent.
 - B Yes, because the price offered was much higher than the original price.
 - C No, because the principal cannot willfully hinder the agent from earning his commission.
 - D Yes, because the principal is allowed to deal for himself without going through the agent.

15. Bass, an agent, has an authority to sell his principal's goods on credit. He sold the goods on credit to Roe without making the proper and usual enquiries as to Roe's ability to pay. At the time of sale, Roe is bankrupt. Decide which of the following duties has been breached by Bass.
- A The duty of care, skill and diligence.
 - B The duty to communicate with his principal.
 - C The duty of to obey the principal's instructions.
 - D The duty to render proper account when required.
16. Which of the following contracts is not included in the scope of the Sale of Goods Act 1957?
- A A customer who bought some stocks from a broker.
 - B A customer who ordered a cake from a baker and paid for the cake.
 - C A customer who paid cash for a washing machine bought at an appliance store.
 - D A customer who ordered a pair of clothes from a tailor and supplied the material to the tailor.

LIM CHUI LAI v ZENO LTD.



Picture 1

17. Which of the following principles highlights the case above?
- A *Caveat emptor*.
 - B *Nemo dat quod non habet*.
 - C Sale by a mercantile agent
 - D Remedies of an unpaid seller.

18. Adah bought a used mixing machine from Underwood Ltd. At the time the contract was made, the machine was still affixed to the seller's floor and had to be dismantled before it could be transported. The machine was damaged during the transportation. Who bears the risk of damage in this situation?
- A Adah, the buyer.
 - B Underwood Ltd., the seller.
 - C The transporter who transports the machine.
 - D No one, because the machine was damaged.
19. An owner can repossess the goods from the hirer if
- A the hirer fails to pay the first installments.
 - B the hirer pays two days after the due date.
 - C the hirer fails to pay two successive installments.
 - D upon the hirer's death, the personal representative fails to pay three successive installments.
20. When can a hirer exercise his rights to an early completion under Section 14 of the Hire Purchase Act 1967?
- i. At any time during the continuation of the agreement.
 - ii. Within 21 days after the owner repossessed the goods.
 - iii. Within 30 days after the hirer returned the goods to the owner.
 - iv. Before or on the date specified in the hirer's notice by paying to the owner the net balance of the purchase price.
- A i, ii and iii
 - B i, ii and iv
 - C ii, iii and iv
 - D i, iii, iv and iv

21. When the banker collects the amount of the cheque on behalf of his customer, the banker is known as
- A the paying banker.
 - B the drawer banker.
 - C the holding banker.
 - D the collecting banker.
22. In order to enjoy the protection given under Section 85(1) of the Bills of Exchange Act 1949, a collecting banker must be able to prove that
- A he was negligent.
 - B he was a good banker.
 - C he has acted in good faith.
 - D he has acted for his own benefit.
23. What is a policy?
- A It is a contract of insurance.
 - B It is the money paid by the insured to the insurer.
 - C It is a risk capable of being insured under the contract of insurance.
 - D It is the right given to the insurer to sue the third party who causes the loss.
24. Which of the following is TRUE regarding material facts?
- A It is the obligation to compensate the insured for loss or damage suffered.
 - B It is a subject matter capable of being insured under the contract of insurance.
 - C It is the economic loss suffered by the insured caused by the perils stated in the contract.
 - D It is an important information that must be disclosed by both parties during the formation of the contract.

25. Which of the following situation is TRUE regarding a company?
- A A company need not be registered in order to exist.
 - B A company must be managed by a Board of Directors.
 - C A the maximum number of members in a private company is 20.
 - D A company and its shareholders are considered as a single entity.

[25 MARKS]

PART B

This part contains **THREE (3)** questions.

Answer **all** questions in the Answer Booklet.

QUESTION 1

- (a) Amanda's sister has helped her with move to a new house. Although Amanda has not promised to pay for her sister's help, she wishes to do so and seeks your advice on whether her promise would constitute a valid consideration.

Advise Amanda on the types of consideration by referring to the Contracts Act 1950 and relevant cases.

(15 marks)

- (b) Bradley, gave a house to his girlfriend, Miranda, as a gift for their three-year anniversary. One week later, he died in a car crash. His brother, Brandon, wanted Miranda to return the house to them because he claimed that there was no contract between Miranda and Bradley.

Advise Miranda.

(15 marks)

QUESTION 2

- (a) With reference to the Contracts Act 1950 and relevant cases, discuss the concept of an agency by ratification.

(15 marks)

- (b) Notrah instructed Meor, her agent to store 1000 sacks of potatoes, 200 chairs and 300 desks in Meor's warehouse until she could find a buyer for them. A few days later, Meor discovered that the potatoes were beginning to rot and were likely to contaminate the other perishable goods kept in the warehouse. He tried to contact Notrah but was informed that that she was out of town and could not be reached. Meor later sold the potatoes, desks and chairs to Halimah below market price. Notrah was furious when she found out what Meor had done.

Advise Notrah.

(15 marks)

QUESTION 3

Discuss the jurisdiction of the Federal Court.

(15 marks)

[75 MARKS]

--END OF QUESTION PAPER--

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