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**KOLEJ YAYASAN PELAJARAN JOHOR  
FINAL EXAMINATION**

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**COURSE NAME** : PARTNERSHIP AND COMPANY LAW  
**COURSE CODE** : DAC2123  
**EXAMINATION** : JUNE 2024  
**DURATION** : 3 HOURS

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**INSTRUCTION TO CANDIDATES**

1. This examination paper consists of **TWO (2)** parts :  
PART A (40 Marks)  
PART B (60 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. The Question Paper
  - ii. An Objective Answer Sheet
  - iii. An Answer Booklet
  - iv. Companies Act 2016
  - v. Partnership Act 1961 (Revised Act 1974)

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

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*This examination paper consists of 9 printed pages including front page*



**PART A**

This part contains **TWENTY (20)** questions.

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

1. Which of the following is **NOT** the mode of business operation in Malaysia?
  - A Company
  - B Profession
  - C Partnership
  - D Sole proprietor
  
2. Which one of the following statements is **NOT** true?
  - A A partnership only comes into existence once it starts trading
  - B Partnership cannot be formed for altruistic or benevolent purposes
  - C A person can be a partner even if he does not share in the profits of the partnership
  - D A partnership created for one off transaction will cease after that transaction is complete
  
3. The common term for partnership written agreement is known as
  - A Agreement
  - B Partnership Act
  - C Partnership Deed
  - D Partnership Contract
  
4. 1<sup>st</sup> Statement: In the absence of partnership agreement the earnings will be split among them depending on the capital invested.  
2<sup>nd</sup> Statement: Partnership Act enters into force in a firm when there is disagreement between the partners.  
Which is correct?
  - A Both statements are true
  - B Both statements are false
  - C 1<sup>st</sup> Statement is true, 2<sup>nd</sup> Statement is false
  - D 1<sup>st</sup> Statement is false, 2<sup>nd</sup> Statement is true

5. Every partner is both an agent and a principal. He is an agent of other partners as he represents them and thereby binds them through his acts. He is principal as he too can be bound by the acts of other partners.

Determine which one of the following features describe the best depicts the above lines?

- A Partnership
  - B Membership
  - C Mutual agency
  - D Mutual consent
6. Decide the sequence that can be applied by Alina who wants to dissolve her partnership with Zarif
- i. Pay the loan of the partner
  - ii. Pay the capital of the partners
  - iii. Sell all the partnership's assets
  - iv. Pay off the firm's debts and liabilities
- A i, ii, iii and iv
  - B iv, iii, ii and i
  - C iii, iv, i and ii
  - D ii, iv, iii, and i
7. Minimum number of members in company is
- A 1
  - B 2
  - C 3
  - D 4

8. Ali intends to set up a company to be known as Bismillah' XX Sdn Bhd. Unfortunately, his application was rejected by the Registrar. In your opinion, what was the possible reasons behind it?

- i. The proposed name is too general
- ii. The proposed name is already existing
- iii. The proposed name contains the symbol
- iv. The proposed name is resembling elements of religion

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

9.

- Liability of its members is limited by the constitution to such amount as the members undertake to contribute to the assets of the company in the event the company is wound up
- Does not have share capital

Statement 1

**The statement 1 above is referring to**

- A** Public company limited by shares  
**B** Private company limited by shares  
**C** Public company limited by guarantee  
**D** Private company limited by guarantee

10. Jusoh was under a capacity as a promoter when he bought certain premises at the prices RM 250,000.00. When the company was incorporated he sold the premises for RM500,000.00, as a result of the said sale he gained RM 250,000.00. The profits were disclosed by Jusoh only RM 100,000 and the balances were not disclosed to the company.

Decide what are the remedies available to the company?

- A The company can rescind the contract
  - B The company cannot rescind the company since it has no longer exist
  - C The company can rescind the contract and can claim damages for breach of duty
  - D The company cannot rescind the contract but can recover the balance of profits
11. Alif purchased goods from Bea on behalf of Dia Bhd on 20 January 2020. Dia Bhd was incorporated on 1 Mac 2020. Based on the Companies Act 2016 which of the following statement is correct?
- A Dia Bhd is liable for the goods purchased as soon as it is incorporated
  - B Alif is personally liable for the goods unless Dia Bhd ratifies the contract
  - C Alif is liable for the goods but is entitled to be reimbursed by Dia Bhd following its incorporation.
  - D Neither the Dia Bhd nor Alif is liable
12. The case of Lee v Lee 's Farming (1961) illustrate that
- A A company cannot contract with its formers and directors
  - B A company is a separate person its founders and directors
  - C Only public companies can contract with their founders and directors
  - D All above are correct
13. Akira and Atiqah intend to do a business as Personnel Partners. For purposes of suing and being sued, determine how Personnel Partners would be treated?
- A An entity
  - B A natural person
  - C A non-existence party
  - D An aggregate of the individual members

14. Examine the best answer describe the meaning and effect of the "corporate veil"
- A It can only be lifted by court
  - B It allows directors and officer to escape their legal obligations to commit a fraud
  - C It is designed to make it impossible for anyone to find out who is in control of a company
  - D It is terminology used to separate the company from its members, directors and officers
15. Examine the best answer describe the effect of having object clause in constitution
- A The company shall have an unlimited capacity
  - B The company shall have limited by guarantee
  - C The company shall be restricted from carrying on any business or activity that is not within those subject
  - D All of these
16. Under the Companies Act 1965, in which document would you find the objects of a company
- A Special Resolution
  - B Ordinary Resolution
  - C Article of Association
  - D Memorandum of Association
17. Halim is a director of Syarikat Jaya Bumi. While acting for the company, he becomes aware of a business opportunity that the company is unable to exploit. He takes advantages of this opportunity himself and makes a considerable profit. Can Halim keep the profit made?
- A Yes, providing Halim obtains the consent of the company in general meeting
  - B No. Directors are never allowed to keep profits made from such transactions
  - C Yes, providing that the other directors gave prior authorization to Halim entering into the transaction
  - D Yes, providing that the articles allow the directors to authorize the transaction, and they do so prior to Halim entering into it.

18. Examine which one of the following most accurately describes the duty of directors to exercise reasonable care, skill and diligence?
- A The duty is entirely objective
  - B The duty is entirely subjective
  - C The subjective element of the duty applies to all directors
  - D The objective element applies to all directors, whereas the subjective element only applies to directors who have some special skill or ability
19. A shareholder who wishes to make a proposal that a director is dismissed must give the company special notice of their proposal prior to the meeting. How many days is required for special notice?
- A 7
  - B 14
  - C 28
  - D 42
20. Which of the following are the modes of winding up?
- A Voluntary winding up
  - B Compulsory winding up
  - C Both of A and B
  - D None of the above

[40 MARKS]



**PART B**

This part contains **FIVE (5)** questions.

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

**QUESTION 1**

Explain **FIVE (5)** differences between partnership and company.

(10 marks)

**QUESTION 2**

With reference to the relevant statutory provision and decided cases, discuss the fiduciary duties that the director owes to the company.

(10 marks)

**QUESTION 3**

In relation to companies, explain the doctrine of separate legal entity and the effects of it. Support your answer and with reference to statutory provision and decided cases.

(10 marks)

**QUESTION 4**

Malik is a promoter of Syarikat Canting Sdn Bhd, a batik manufacturer. Syarikat Canting Sdn Bhd decide to buy a piece of land at Jalan Berseri. Malik who knows about this has persuaded the owner of the land to sell it to him for RM 100,000.00. He then sold the land to Syarikat Canting for RM 150,000.00.

Malik did not disclose to Syarikat Canting Sdn Bhd that he had bought the land from the owner at lower price. Syarikat Canting Sdn Bhd has now discovered this and wishes to take legal action against Malik.

Advise Syarikat Canting Sdn Bhd with reference to the Companies Act and relevant cases.

(15 marks)

**QUESTION 5**

Labu, Labi and Laba are partners in a firm carrying on the business of food supplement and healthcare under the name of Putih Putih Enterprise. The partnership is formed based on mutual trust and confidence between them after knowing each other since childhood. One day, a customer Seroja who had bought the product known as "Vitamin Putih" a food supplement to whiten the skin came to their office. She claimed that she suffered kidney malfunction due to toxic content in the product. She claimed that she was convinced by Labu that she must consume it for 3 months consecutively to be effective. Labu was a minor. Seroja devastated and wishes to bring legal action against the firm claiming RM 1 Million in damages.

With reference to the Partnership Act and decided cases advise all parties on rights and liabilities from the above.

**(15 marks)**

**[60 MARKS]**

**-END OF QUESTION PAPER-**



