



**KOLEJ YAYASAN PELAJARAN JOHOR
FINAL EXAMINATION**

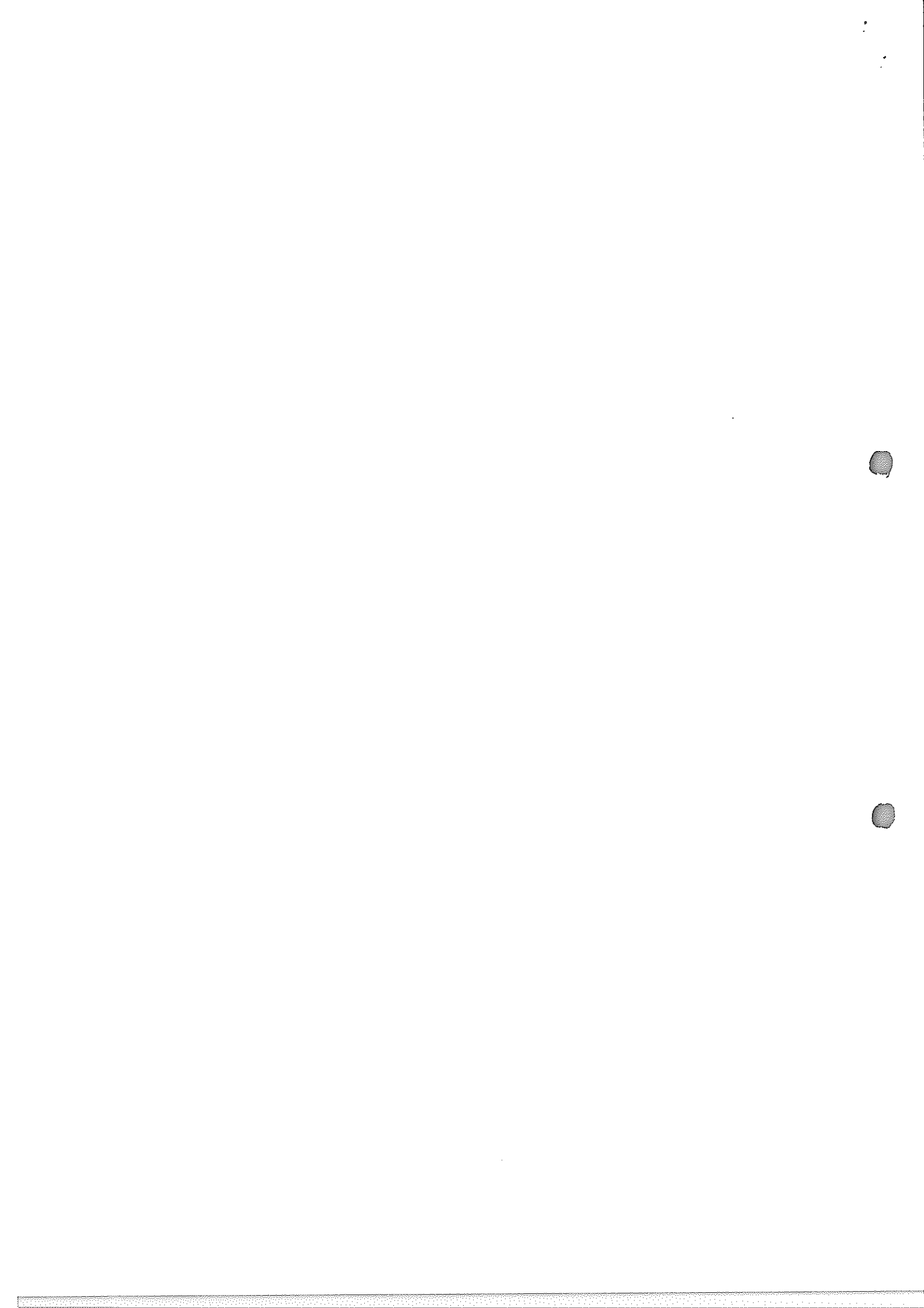
COURSE NAME : BUSINESS LAW
COURSE CODE : DAC2093
EXAMINATION : JUNE 2023
DURATION : 3 HOURS

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

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

This examination paper consists of 11 printed pages including front page



PART A

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

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

1. Unwritten law is mainly composed of
 - A rules of equity, customs and legislation.
 - B English law, judicial decisions and the customs.
 - C English law, Muslim law and subsidiary legislation.
 - D Muslim law, Ordinances, customs and English law.

2. Which of the following statement is TRUE?
 - A The highest court in Malaysia is the Supreme Court.
 - B The Sessions Court is the highest court in Malaysia.
 - C The High Court derives its powers from the Subordinate Courts Act, 1948.
 - D The First Class Magistrate has a civil jurisdiction to try all civil suits where the amount in dispute or the subject matter does not exceed RM100,000.

3. What is an invitation to treat?
 - A It is an acceptance to the offer.
 - B It is an offer capable of being accepted.
 - C It is an agreement between an offeror and offeree.
 - D preliminary communication at the stage of negotiation.

4. Which of the following is **not** one of the modes of revocation of an offer according to Section 6 of the Contracts Act 1950?
 - A The death or mental disorder of the proposer.
 - B The refusal of the promisor to perform his promise.
 - C The failure of the acceptor to fulfill a condition precedent to the acceptance.
 - D The communication of a notice of revocation by the proposer to the other party.

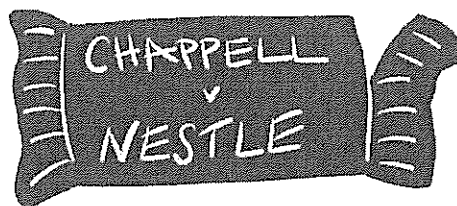
5. It was decided in this case that an advertisement is an offer.
- A HARRIS v NICKERSON
 - B PARTRIDGE v CRITTENDEN
 - C CARLILL v CARBOLIC SMOKE BALL CO.
 - D PHARMACEUTICAL SOCIETY OF GREAT BRITAIN v BOOTS CASH CHEMIST
6. Mira found Siti's wallet and returned it to her. After returning the wallet, Mira saw the reward that Siti has put in the newspaper regarding her lost wallet. Can Mira claim the reward?
- A Yes, because Mira has seen the reward.
 - B Yes, because Siti has made an offer to the world.
 - C No, because Siti has not promised to give Mira anything.
 - D No, because the offer has not been communicated to her.
7. Mek agrees to sell to Man "a hundred tons of oil" for the price of RM25 per ton. There is nothing to indicate the type of oil that is intended.
- A The agreement is valid.
 - B The agreement is void for uncertainty.
 - C The agreement is voidable because it was made orally.
 - D The agreement is void as the consideration is inadequate.
8. Mira found Siti's wallet and returned it to her. Siti promised to give Mira RM50. This concept is called
- A past consideration.
 - B executed consideration.
 - C executory consideration.
 - D adequacy of consideration.

9. Abu forced Meah into entering a contract with him by threatening to burn Meah's house. What is the effect of the contract?
- A Void
 - B Valid
 - C Illegal
 - D Voidable
10. Ahmad went into Econsave to buy a bottle of shampoo. He took the shampoo to the counter and handed the shampoo to the cashier to be paid. The cashier ran the shampoo through the scanner and Ahmad paid for the shampoo and walked out of the supermarket.

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

- i. Offer
- ii. Acceptance
- iii. Consideration
- iv. Invitation to treat

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



Picture 1

11. Which of the following concepts is illustrated by **Picture 1** above?
- A Consideration need not be adequate.
 - B Consideration can move from a third party.
 - C Past consideration is a good consideration.
 - D An agreement made on account of natural love and affection.

12. Yap made an offer to Chen and requested that Chen accepted his offer through post. Chen accepts Yap's offer by a letter sent by post.

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

- i Section 2(a)
- ii Section 7(a)
- iii Section 7(b)
- iv Section 4(2)(a)

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

13. The parties involved in the contract of agency are

- A the agent and the principal.
- B the agent, the principal and the seller.
- C the agent, the principal and the owner.
- D the agent, the principal and the third party.

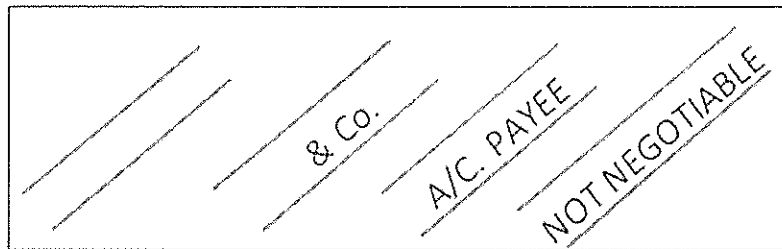
14. Marissa asked Sham, a real estate agent, to sell her house for RM500,000 but Sham only managed to sell Marissa's house for RM450,000. Based on the situation, which type of agency is created between Marissa and Sham?

- A Agency by estoppel
- B Agency by necessity
- C Agency by ratification
- D Agency by implied appointment

15. Bass's lorry broke down while transporting some mushrooms for Jane. He informed Jane of his situation and Jane instructed him to sell the mushrooms to Fred, the owner of Orchid Restaurant. Identify the status of the parties based on the above situation.
- A Bass is the agent, Jane is the principal and Fred is the third party.
 - B Bass is the principal, Jane is the agent and Fred is the third party.
 - C Bass is the third party, Jane is the principal and Fred is the agent.
 - D Bass is the agent, Jane is the third party and Fred is the principal.
16. Which of the following is categorised as "goods" under the Sale of Goods Act 1957?
- A A bungalow situated on top of a hill.
 - B Money worth RM5000 on top of a table.
 - C A blue dress hanging in a shop window.
 - D Ripe mangoes hanging from a mango tree waiting to be picked.
17. The following situations highlight the breach of condition under the Sale of Goods Act 1957 **except**
- A Sandy bought a red Myvi but was given a yellow Myvi instead.
 - B Pena bought a new Proton Persona from a dealer and the car broke down a week later.
 - C John bought a car from Hamid and he discovered that the car had been stolen from Merchantile Credits.
 - D Salmi bought a chocolate bun from a bakery and got food poisoning after consuming it.

18. Adah ordered a lipstick from a catalogue. The colour was described as "Luscious Red". Adah discovered that the colour was "Luscious Pink" when it arrived. Adah wanted to bring an action against the supplier. What would the cause of action be?
- A Breach of implied condition of a sale by sample.
 - B Breach of implied condition that the goods are of merchantable quality.
 - C Breach of implied condition that the goods shall correspond with description.
 - D Breach of implied condition that the goods shall be reasonably fit for the purpose.
19. A hire purchase agreement includes a _____ of goods with an option to _____ and an agreement for the purchase of goods by _____.
- A sale....own....installments
 - B hiring....transfer....installments
 - C letting....purchase....installments
 - D purchase....renew....installments
20. Ahmad entered into a hire purchase agreement with Kedai Mudah for the purchase of a television, a fridge and a washing machine. He was given one agreement for all three items. Decide whether the agreement is valid.
- A No, because the price of each item is different from one another.
 - B Yes, because the hire purchase agreement was signed by both parties.
 - C No, because separate agreements should be given for every item purchased under the Hire Purchase Act 1967.
 - D Yes, because the items were included in the list of goods as stated in the First Schedule of the Hire Purchase Act 1967.

21. When a customer draws a cheque on a banker, the banker is known as
- A the paying banker.
 - B the drawer banker.
 - C the holding banker.
 - D the collecting banker.



Picture 2

22. **Picture 2** shows the different types of crossing that can be found on a cheque. What are the effect of these crossings?
- i The bank can only pay the amount of the cheque.
 - ii The bank cannot pay cash on the cheque across the counter.
 - iii The person who wants to obtain payment must have an account with the bank.
 - iv The drawer of the cheque is given time to request the bank to stop the payment.
- A i, ii, iii, iv
 - B i, ii, iv
 - C ii, iii, iv
 - D i, ii, iii
23. In a contract of insurance, a person has _____ in the subject matter if he stands to gain by its continued existence and stands to lose in the event of its destruction.
- A a material interest
 - B a right to indemnity
 - C a particular interest
 - D an insurable interest

24. An insurance contract is called
- A a policy.
 - B a premium.
 - C a coverage.
 - D a subrogation.
25. Which of the following situation shows the existence of a partnership?
- A The legal firm of Tina, Hana & Co which has 25 partners, all of whom are qualified lawyers.
 - B The firm of Mahat & Co, which has 25 partners and involved in the business of selling cars.
 - C Pian and his friends running a business of selling t-shirts and the profits are donated to a homeless shelter.
 - D Tina and Kamil established a loan society for the purpose of lending money to its members.

[25 MARKS]

PART B

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

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

QUESTION 1

(a) The rule in the case of **Felthouse v Bindley [1862] 142 ER 1037** stated that "*silence cannot amount to acceptance*". Based on the Contracts Act 1950 and relevant cases, discuss the various ways in which an acceptance may be communicated.

(15 marks)

(b) Bradley, a 17-year-old boy, entered into a contract with Yayasan Salam to finance his studies. He wanted to know whether the the contract is valid since he is a minor. Advise Bradley.

(15 marks)

QUESTION 2

(a) With reference to the Contracts Act 1950 and relevant cases, discuss the duties of a principal to his agent.

(15 marks)

(b) Mukhriz has been appointed by Nazri to manage his restaurant. He instructed Mukhriz to buy a van to be used for the restaurant's business and gave RM25,000 to be used as payment for the van. Mukhriz managed to buy the van for RM20,000 but he recorded the purchase price as RM25,000 and kept the balance. Nazri discovered the true facts about the purchase of the van and refuses to pay Mukhriz's remuneration. Nazri seeks your advice regarding the remedies available to him.

(15 marks)

QUESTION 3

Fadil entered into a hire purchase agreement to purchase a Honda HRV. With reference to the Hire Purchase Act 1957, advise Fadil on the following matters:

(a) Fadil wishes to let his sister, Fazreen, to continue with the hire purchase agreement.

(5 marks)

(b) Fadil wishes to shorten the duration of the hire purchase agreement.

(5 marks)

(c) Fadil wishes to know the current financial status of the hire purchase agreement from the owner.

(5 marks)

(15 marks)

[75 MARKS]

--END OF QUESTION PAPER--



