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**KOLEJ YAYASAN PELAJARAN JOHOR  
ONLINE FINAL EXAMINATION**

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**COURSE NAME : LEGAL ASPECTS IN HOSPITALITY  
INDUSTRY**

**COURSE CODE : DHM3123**

**EXAMINATION : DECEMBER 2021**

**DURATION : 3 HOURS**

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**INSTRUCTION TO CANDIDATES**

1. This question paper consists of **THREE (3)** parts :
  - PART A (25 Marks)
  - PART B (60 Marks)
  - PART C (15 Marks)
2. Please refer to the detailed instructions in this question paper.
3. Answer ALL questions in the answer sheet which is A4 size paper (or other paper with the consent of the relevant lecturer).
4. Write your details as follows in the upper left corner for each answer sheet:
  - i. Student Full Name
  - ii. Identification Card (I/C) No.
  - iii. Class Section
  - iv. Course Code
  - v. Course Name
  - vi. Lecturer Name
5. Each answer sheet must have a page number written at the bottom right corner.
6. Answers should be **neat and clear in handwritten form**.

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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 **10** printed pages including front page*

**PART A**

This part contains **TWO (2) sections**. Section one contains **FOURTEEN (14)** questions and section two contains **ELEVEN (11)** questions.

Answer ALL questions in the Answer Sheet.

**SECTION ONE**

1. The Federal Court is the final court and the highest in the hierarchy in the Syariah Malaysian Judicial System.
  - A. True
  - B. False
  
2. The decisions of the superior courts are binding on the subordinate courts.
  - A. True
  - B. False
  
3. The express terms of a booking contract in a hotel are those which are set out in writing.
  - A. True
  - B. False
  
4. The display of brochures by a hotel is an invitation to treat, not an offer to provide rooms to customers.
  - A. True
  - B. False
  
5. It is an essential requirement that the customer must have paid a reasonable price for the room service.
  - A. True
  - B. False
  
6. The principal and agent must draw up a formal written deed as the evidence of their relationship.
  - A. True
  - B. False

7. The principal employs the agent to act for him because the agent has expert skill and knowledge.
  - A. True
  - B. False
  
8. The agent may only perform those acts which are described in the agency agreement only.
  - A. True
  - B. False
  
9. There are two duties of holiday providers provided by the Occupational Safety and Health Act 1994 which are the requirement to formulate safe and healthy policy and to notify any occurrence that may bring harm and risk of danger.
  - A. True
  - B. False
  
10. The greatest degree of care is owed to the licensee, the next greatest to an invitee, and the least amount to a trespasser.
  - A. True
  - B. False
  
11. Customers of a hotel are given the right to conceal information about the items brought to the safe keeping of the hotel.
  - A. True
  - B. False
  
12. The innkeeper cannot detain and exercise the right of lien over any property brought by the guest.
  - A. True
  - B. False

13. According to the Fourth Schedule of Tourism Industry Regulations 1992, the travel company may cancel the booking contract when it feels to do so.
- A. True
  - B. False
14. Licensed tourism enterprises must include their license number and business name in their business advertisement.
- A. True
  - B. False

## SECTION TWO

1. Unwritten law is mainly composed of
- A. the rules of equity, the customs and legislation.
  - B. the english law, the judicial decisions and the customs.
  - C. the english law, the muslim law and subsidiary legislation.
  - D. the muslim law, ordinances, customs and the english law
2. Datuk Borhan brought an action against Megah Holding Bhd. for breach of contract amounting Fifty Thousand Ringgit Malaysia (RM50,000.00). This case shall be heard in .....
- A. High Court.
  - B. Sessions Court.
  - C. First Class Magistrate Court.
  - D. Second Class Magistrate Court.
3. Zarif contracts for some fruits in Maria's tropical fruit farm. The contract is void because:
- A. There is no certainty in the contract
  - B. There is no valid offer and acceptance
  - C. Zarif is not competent to enter into contract
  - D. There is no legal intention to create a legally binding

4. An agent is under duty not to make any secret profit out of the performance of his duty. 'Secret profit' means \_\_\_\_\_.
- A. ex-gratia payments
  - B. payment for services rendered.
  - C. reward for outstanding service
  - D. an undisclosed profit or commission.
5. Anushka tells Yong that she is Jamil's agent and Jamil does not deny this. In this situation, if Yong makes a contract with Anushka, would Jamil be liable to Yong under the law of agency?
- A. Yes, because he has held out Anushka as his agent.
  - B. Yes, because he has expressly appointed Anushka as his agent
  - C. No, because Anushka was the one who claimed to be an agent.
  - D. No, because he never authorised Anushka to contract with Yong on his behalf.
6. Which of the following is NOT the liability of an innkeeper with regards to trespasser?
- A. The innkeeper must act with common sense and humanity
  - B. The innkeeper must refrain from willfully injuring the trespassers
  - C. The innkeeper is not liable to take any effort to determine what defects exist in the hotel which is dangerous to the trespasser
  - D. The innkeeper is liable to inspect the premises for dangerous condition that presents an unreasonable risk of harm to the trespasser

7. According to S2 of the Innkeepers Act, 1952, a hotel is defined as a place
- I. containing less than 4 rooms
  - II. that includes any boarding house
  - III. where a person is lodged for reward
  - IV. where domestic service is provided.

Which of the following is true according to the definition of a hotel?

- A. I, II and III
  - B. II, III and IV
  - C. I, II and IV
  - D. All of the above
8. Under S8(1) of the Tourism Industry Act 1992, a tour operator's license can be revoked when
- A. the operator has complied with the provision of the act
  - B. the operator has no sufficient assets to meet its liabilities
  - C. the operator has provided the commissioner with accurate information
  - D. the operator has never been convicted of any offence involving dishonesty or fraud
9. The word "adulterated" means
- A. the food is fresh
  - B. the food is clean
  - C. the food is labelled
  - D. the food is mixed or diluted with any substance which diminishes its nutritive
10. Sale of goods is a contract whereby a seller transfers to a buyer \_\_\_\_\_ for a price in money.
- A. quality goods
  - B. good property
  - C. specific goods
  - D. property in goods

**11.** Which of the following is categorised as “goods” as defined in S2 of the Sale of Goods Act 1957?

- A.** Land
- B.** House
- C.** Blender
- D.** A tree planted in the front yard

**[25 MARKS]**

**PART B**

This part contains **FIVE (5)** questions. You are required to answer **FOUR (4)** questions. Answer ALL questions in Answer Booklet.

**QUESTION 1**

a) "All contracts entered by minors are void because the law needs to protect the minor." However, there are a few exceptions to this general rule. Explain one of the exceptions. Give one example to illustrate it.

(3 marks)

b) According to Section 14 of the Contracts Act 1950, there are five (5) causes that will affect the free consent of parties. Discuss any four (4) of the causes. Support your explanation with examples or any relevant cases.

(12 marks)

**QUESTION 2**

a) Explain the necessary qualification to be an agent or a principal according to the Contracts Act 1950.

(3 marks)

b) With reference to the Contracts Act 1950, there are five (5) ways to create an agency contract. Discuss any three (3) of them. Support your explanation with examples or any relevant cases.

(9 marks)

c) Discuss one of the rights of the principal. Give one example to illustrate it.

(3 marks)

**QUESTION 3**

Explain the duties of innkeeper under the law of negligence towards:

a) Invitees

(9 marks)

b) Licensees

(6 marks)



**QUESTION 4**

a) Define who are innkeepers and identify two (2) main duties of innkeepers under the Innkeepers Act 1956.

(6 marks)

b) Describe three (3) situations where an innkeeper can refuse a would-be-guest accommodation at its premises.

(9 marks)

**QUESTION 5**

What do you understand by the following terms in the context of sale of goods?

a) Warranty

(11 marks)

b) Caveat emptor

(4 marks)

**[60 MARKS]**

**PART C**

This part contains **TWO (2)** questions. You are required to answer **ONE (1)** question. Answer ALL questions in Answer Booklet.

**QUESTION 1**

Julia is a vegetarian. She went to Malaika Restaurant. The restaurant was non vegetarian, but has vegetarian dishes in its menu. Julia tried to order the chili bean burger. The waiter, Loka, told her that the restaurant was out of chilli bean burger. Loka suggested the tofu burger instead. Julia was upset and insisted that the restaurant serves her chilli bean burger, seeing that the item was on the menu. Malaika Restaurant seeks your advice regarding this matter and whether they will be liable for not fulfilling Julia's order.

Solve the case using the IRAC formula.

(15 marks)

**QUESTION 2**

Laila instructed her agent, Majnun to buy a hotel in Johor Bharu for her. Majnun decided to purchase a fire insurance for the hotel even though there was no instruction from Laila to do so. When he told Laila about the insurance, she requested time to consider whether to accept the contract for the insurance or not. She ratified the insurance 3 months after the contract was made but by that time, the hotel had already been destroyed by a fire. Laila seeks your advice on whether she can claim the insurance.

Solve the case using the IRAC formula.

(15 marks)

**[15 MARKS]**

**--END OF QUESTION PAPER--**