

FINAL  
Examination Paper

(COVER PAGE)

Session : August 2017

Programme : Diploma In Business Management (DBM)

Course : WLAW1111 : Business Law

Date of Examination : December 9, 2017 (Saturday)

Time : 2:00 pm – 4:00 pm Reading Time : Nil

Duration : 2Hours

**Special Instructions :**

**Section A:** Answer **ALL** Multiple Choice questions in the **OMR** sheet provided.

**Section B:** Answer all **TWO (2)** question.

**IMPORTANT NOTE : THIS PAPER SHOULD NOT BE TAKEN OUT OF THE EXAMINATION HALL**

Material permitted : Nil

Materials provided : OMR Sheets

Examiner(s) : Christopher Alex Johnson, Zakiah Abdul Khassim & Meninder Kaur

Moderator : Dr Chan Wai Meng

*This paper consists of 8 printed pages, including the cover page*

DIPLOMA IN BUSINESS MANAGEMENT PROGRAMME (DBM)  
WLAW1111: BUSINESS LAW  
FINAL EXAMINATION: AUGUST 2017 SESSION

**Section A (50 marks)**

**Instructions:** This section consists of **TWENTY (20)** questions. Answer **ALL** questions in the **OMR** sheet provided.

1. Examples of PRIVATE LAW include:
  - I. Constitutional law
  - II. Tort law
  - III. Contract law
  - IV. Criminal law
  - A. I and III
  - B. I and IV
  - C. II and III
  - D. III and IV
  
2. Which of the following are sources of WRITTEN LAW in Malaysia?
  - I. Federal Constitution
  - II. Subsidiary Legislation
  - III. Judicial decisions
  - IV. Acts of Parliament
  - A. I and II
  - B. III and IV
  - C. I, II and III
  - D. I, II and IV
  
3. In a CRIMINAL case, the party who is being charged for an offence in Court is called the:
  - A. Accused
  - B. Accuser
  - C. Prosecutor
  - D. Prosecution

4. The standard of proof in a CIVIL case is:
  - A. Balance of reasonable doubt
  - B. Balance of probabilities
  - C. Beyond reasonable doubt
  - D. Beyond probabilities
  
5. The three branches of the Government in Malaysia are:
  - A. The Agong, the Prime Minister and the Cabinet members
  - B. The Agong, the Dewan Rakyat and the Dewan Negara
  - C. The Executive, the Legislative and the Judiciary
  - D. The federal government, the state governments and local councils
  
6. Which of the following statements are TRUE pertaining to consideration under the law of contract in Malaysia?
  - I. Consideration need not be adequate
  - II. Consideration need not move from the promisee
  - III. Payment of a smaller sum in discharge of a large sum is valid
  - A. I, II and III
  - B. I and II
  - C. I and III
  - D. II and III
  
7. Where an agreement is made in a social or domestic context what is the general rule relating to intention to create legal relations?
  - A. The courts presume the parties intended to create legal relations.
  - B. The courts presume the parties did not intend to create legal relations.
  - C. All social or domestic agreements are legally binding.
  - D. Social or domestic agreements are never legally binding because the parties cannot create legal relations.
  
8. A pre-contractual statement made only to induce another party to enter into a contract is known as:
  - A. A condition
  - B. A warranty
  - C. A representation
  - D. An innominate term

9. Which of the following are types of implied terms?
- I. Terms implied by the Courts
  - II. Terms implied by subjective standards
  - III. Terms implied by operation of law
  - IV. Terms implied by custom and usage
- A. I, II and III
  - B. I, II and IV
  - C. I, III and IV
  - D. All of the above
10. Which of the following statements are TRUE pertaining to conditions and warranty under the law of contract?
- I. Non-performance of condition amounts to substantial failure to honour a contract, while non-performance of terms of lesser importance to the contract is considered a breach of warranty
  - II. If a breach of warranty occurs, the injured party must still perform their part of the contract
  - III. When a breach of condition occurs, they have the right to sue for damages for any loss that they may suffer because of the breach but are not entitled to repudiate the contract
  - IV. Breach of condition may be regarded as grounds for rescinding the contract and suing for damages
- A. I, II and III
  - B. I, II and IV
  - C. I, III and IV
  - D. All of the above
11. Which of the following shall fall within the definition of 'goods' under Section 2 of the Sale of Goods Act 1957?
- I. Moveable property
  - II. Immovable property
  - III. Stocks and shares
  - IV. Land
- A. I and II
  - B. I and III
  - C. I, II and III
  - D. All of the above

12. Under Section 4(1) of the Sale of Goods Act 1957, the elements of a contract of sale of goods are:
- I. Goods
  - II. Quality
  - III. Price
  - IV. Transfer of property
- A. I, II and III
  - B. I, II and IV
  - C. I, III and IV
  - D. All of the above
13. For a partnership formed in Malaysia, the minimum number of members are \_\_\_\_\_ members and the maximum number of members are \_\_\_\_\_ members.
- A. 2 , 20
  - B. 2 , 50
  - C. 2 , unlimited
  - D. 50 , unlimited
14. Section 10(1) of the Companies Act 2016 states that a company may be incorporated as:
- I. A company limited by shares
  - II. A company limited by guarantee
  - III. An unlimited company
  - IV. A partnership company
- A. I and II
  - B. I, II and III
  - C. I, II and IV
  - D. All of the above
15. Which of the following statements are TRUE pertaining to Public Companies?
- I. There is no limit on the maximum number of members
  - II. The shares may be freely transferred without restrictions
  - III. Funds may be raised from issuing shares to the public
  - IV. The maximum number of directors are two directors
- A. I, II and III
  - B. I, III and IV
  - C. II, III and IV
  - D. All of the above

16. Which of the following are the common law tests to determine the status of an employee?
- I. Organisational Test
  - II. Integration Test
  - III. Industrial Test
  - IV. Multiple Test
- A. I, II and III
  - B. I, II and IV
  - C. I, III and IV
  - D. All of the above
17. Which of the following are examples of misconduct which may result in dismissal under employment law?
- I. Sexual harassment of co-workers
  - II. Insubordination
  - III. Absent from work due to illness and failing to produce a medical sick leave certificate upon reporting to work
- A. I, II and III
  - B. I and II
  - C. I and III
  - D. II and III
18. Which of the following are the common law duties of an employee?
- I. To account for all money received in the course of employment
  - II. To work in a skillful and competent matter
  - III. To maintain confidentiality of work-related matters
  - IV. To obey all instructions and commands of the employer, whether lawful or otherwise
- A. I, II and III
  - B. I, II and IV
  - C. I, III and IV
  - D. All of the above

19. Under the Employment Act 1955, an employment contract terminates or may be terminated:
- I. By notice
  - II. Without notice
  - III. For special reason
  - IV. By effluxion of time
- A. I, II and III
  - B. I, II and IV
  - C. I, III and IV
  - D. All of the above
20. There are numerous reasons to determine whether a person is an employee or an independent contractor. The reasons include:
- I. The employer owes a duty at common law to his employees to take reasonable care for their safety, whereas these duties do not normally apply with respect to independent contractors
  - II. To determine the amount of wages payable by the employer to the employee
  - III. An employer would be vicariously liable for the torts committed by his employees in the course of their employment which resulted in injuries or damages to the third party
  - IV. Statutory contributions and payments like the Employees Provident Fund (EPF), social security (SOCSO), workmen's compensation and pension schemes are payable by employers towards the employees
- A. I, II and IV
  - B. I, III and IV
  - C. II, III and IV
  - D. All of the above

**SECTION B:** Answer **ALL** questions in the answer booklet provided (50 marks)

**Question 1**

(a) Distinguish between an 'offer' and an 'invitation to treat'. (5 marks)

(b) Vicky was reading the newspapers when she noticed the following advertisement by Besar Hypermarket selling branded jeans:

'Special Promotion. Up to 70% discount. Today Only'.

Is the advertisement an offer to contract? Advise Vicky accordingly with reference to the relevant case laws under the law of contract.

(10 marks)

(c) Discuss the rule that acceptance is only effective when it is communicated to the offeror. (10 marks)

**Question 2**

Jessica is a successful businesswoman involved in selling pastries from her bakery. Jessica is keen on expanding her business, and has sought your advice on whether she should form a partnership or she should incorporate a company.

Explain to Jessica any **FOUR (4)** differences between a partnership and a company, as well as any **FOUR (4)** advantages of forming a company in comparison to a partnership.

(25 marks)

**-THE END-**