



**FINAL**  
Examination Paper

(COVER PAGE)

Session : April 2014

Programme : Diploma in Business (DIB)  
Diploma in Business Administration (DBADI)

Course : LAW2100/2101 : FOUNDATIONS OF BUSINESS LAW

Date of Examination : July 26, 2014

Time : 8:00am – 10:00am Reading Time : Nil

Duration : 2 Hours

Special Instructions :

This paper consists of **SIX (6)** questions. Answer any **FOUR (4)** questions in the answer booklet

provided. All questions carry equal marks.

Materials permitted : Nil

Materials provided : Nil

Examiner(s) : Ms. Zakiah Abul Khassim, Ravindran A.R.C. Nair.

Moderator : Dr. Chan Wai Meng

*This paper consists of 3 printed pages, including the cover page*

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DIPLOMA IN BUSINESS PROGRAMME (DIB)  
DIPLOMA IN BUSINESS ADMINISTRATION PROGRAMME (DBADI)  
LAW2100 / 2101 : FOUNDATIONS OF BUSINESS LAW  
FINAL EXAMINATION : APRIL 2014 SESSION

**Instructions:** This paper consists of **SIX (6)** questions. Answer any **FOUR (4)** questions in the answer booklet provided. All questions carry equal marks.

**Question 1**

What are the main elements required for the formation of a contract? (25 marks)

**Question 2**

Ali works for Usaha Baru Sdn. Bhd and was wrongly dismissed by the Company. He plans to complain to the Labour Office. However he is not sure of his status as to whether he is an employee or an independent contractor.

He has approached you and you are required to explain to him.

- (a) **FOUR** differences between an employee and an independent contractor. (10 marks)
- (b) **THREE (3)** tests to ascertain whether a worker is an employee or independent contractor. (15 marks)

**Question 3**

Daud and Jamal intend to set up a grocery in the city. They are not sure as to whether to set up a limited or an unlimited company or just a simple partnership. They have been told that setting a limited company means they do not have to liable the debts of the company.

Advise Jamal and Daud the different between the abovementioned business entities which they may form including their respective advantages and disadvantages . You are also required to advise them the accuracy of the information which they have received regarding debts of the company.

(25 marks)

**Question 4**

What are the main sources of written law in Malaysia? Discuss (25 marks)

**Question 5**

- a) What is meant by 'exemption clause'? (5 marks)
- b) What are the rules for inserting exemption clauses into contracts? (20 marks)

Question 6

Jerry who is 17 years old and looks like 20 years old entered into the following contracts :-

- a) Accommodation and holiday booking for his vacation;
- b) A contract to marry a 23 year old woman;
- c) A rental contract for an apartment;
- d) A contract with Rapix Penang for his monthly bus fare;
- e) A contract of employment as a librarian assistant.

Advise John on the legal validity of the above contacts and his position in law in relation to law of Contract.

(25 marks)

-The End-  
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