

FINAL
Examination Paper

(COVER PAGE)

Session : August 2015

Programme : Diploma In Business (DIB)

Course : LAW2100/2104: Foundation Of Business Law

Date of Examination : December 6, 2015

Time : 11.00am – 1.00pm Reading Time : Nil

Duration : 2 Hours

Special Instructions :

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

All questions carry equal marks.

Materials permitted : Nil

Materials provided : Nil

Examiner(s) : Ms. Sharon Christina David, Ms. Leona Dominic Mojiliu,
Mr. Christopher Alex Johnson

Moderator : Dr. Chan Wai Meng

This paper consists of 4 printed pages, including the cover page

DIPLOMA IN BUSINESS (DIB)
LAW2100/2104: FOUNDATION OF BUSINESS LAW
FINAL EXAMINATION: AUGUST 2015 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

(a) Explain the concept of acceptance, with emphasis on the elements of acceptance that *acceptance must be communicated*. (12 marks)

(b) On 01.09.2015, Remy offered to sell his watch to Stanly for RM500 and stated that his offer would be opened until 06.09.2015. On 03.09.2015, Stanly sent his reply and stated "I am prepared to buy the watch if you reduce the price to RM350". On 06.09.2015, Stanly found out that the watch has been sold to Kwan. Stanly wishes to seek your advice as to whether he can sue Remy.

Advise Stanly.

(13 marks)

Question 2

(a) Jerry and his wife Vanessa agreed to live apart. Before they began to live separately, Jerry wrote an agreement wherein he promised that during the separation period he would give Vanessa a two-storey bungalow. The agreement stated that there had been continuous quarrels between them and as a consequence they had voluntarily agreed to separate. Jerry failed to fulfill his promise.

Advise Vanessa.

(10 marks)

(b) Last year, Ah Kong, out of love and affection, promised to give his Harley-Davidson motorcycle to his grandson, Ah Soon, upon his graduation from college. To prove that Ah Kong was serious and committed when making the promise, a written agreement was prepared between Ah Kong and Ah Soon. When Ah Soon graduated from college last month, Ah Kong claimed that he could not remember making the promise.

Advise Ah Soon whether he would be able to enforce the promise may by Ah Kong accordingly.

(15marks)

Question 3

Alex owns Sedap Restaurant and his restaurant is doing very well for the last 4 years. Alex is thinking of expanding the business to Singapore. Alex is not sure whether he should continue as a **sole trader** or should convert the business to a partnership or a limited company. Outline and explain to Alex **FIVE(5) advantages and disadvantages of each type of business.**

(25 marks)

Question 4

Ranie ordered an oven from Sin Hong Electrical Sdn Bhd and signed an order form that stated at the bottom of it "*Any express or implied, condition, statement of warranty, statutory or otherwise is expressly excluded*". One week after purchasing the said oven, it is inoperable.

Ranie wishes to claim for the price from Sin Hong Electrical Sdn Bhd and seeks your advice on the said issue.

(a) Explain and distinguish a condition and a warranty, and advise Ranie on the chances of claiming the price for the oven.

(20 marks)

(b) The courts have formulated several rules with regards to controlling the exemption of liability by way of an exclusion notice. Explain the appropriate common law rule in relation to Ranie's situation.

(5 marks)

Question 5

Chandran, upon completing his SPM but coming from a poor family, has found a job with a private company that sources workers from Indonesia and Bangladesh. Keen to learn, he asked you to explain the following:-

(a) the concept of **vicarious liability**

(5 marks)

(b) the difference between an **employee** and an **independent contractor**.

(5 marks)

(c) the guidelines that may be followed to ascertain whether a worker is an **employee** or **independent contractor**.

(15 marks)

Question 6

- (a) David bought a bottle of freshly-squeezed orange juice from a sundry shop that was located near his house. After consuming the orange juice, David did not feel well. Upon further investigation, David discovered that there was a decomposed insect in the bottle of orange juice which he had just consumed. Subsequent thereto, David became ill and required medical treatment from the nearby clinic. David now wishes to commence legal action against the sundry shop.
Advise David on what grounds he can sue with reference to the *Sale of Goods Act 1957*.
(12 marks)
- (b) Describe any **FIVE (5) remedies** available to a seller under sales of goods transaction.
(13marks)

~THE END~
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