

FINAL
Examination Paper

(COVER PAGE)

Session : August 2016

Programme : Diploma in Business (DIB)

Course : LAW2100/2104: Foundation of Business Law

Date of Examination : 10 December, 2016 (Saturday)

Time : 2:00pm – 4:00pm 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) : Zakiah Binti Abdul Khassim, Christopher Alex Johnson,
Chong Pit Kee and Meninder Kaur

Moderator : Dr Chan Wai Meng

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

DIPLOMA IN BUSINESS PROGRAMME (DIB)
LAW2100/2104 : FOUNDATION OF BUSINESS LAW
FINAL EXAMINATION : AUGUST 2016 SESSION

Instruction: 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)

Angie posted a letter dated 10th September 2016 separately to Jane and Johnny which contained an offer to sell them her iPhone 7 at the price of RM2000/-. The letter states that the acceptance must be made in writing with seven (7) days the date of the letter of offer. The letter reached Jane on the 13th September 2016 and Johnny on the 14th September respectively. Both of them were very excited and posted their acceptance on the same day they received their offers respectively. Due to flood, Jane's letter only reached Angie on the 18th September 2016 while Johnny's letter reached Angie earlier on the 15th September.

Angie concluded the sale with Johnny on the 15th September 2016. Jane is claiming that she has a valid contract with Angie while Angie argues that her offer to Jane had lapsed. Advise Angie.

(15 marks)

(b) Jamie's nephew, Anthony visited her five months back and was reminded that he had still not paid Jamie the sum RM50,000/- which he owed Jamie in year 2000. Anthony promised to pay the loan as soon as possible and this promise was heard by Alice:

Alice seeks you advise whether she can claim from Anthony the RM50,000/- owed to her mother since year 2000.

(10 marks)

Question 2

(a) Andy is 16 years old and his sister Fiona is 18 decided to go on a holiday and to stay at Sunshine Hotel. Andy signed the booking form for the room for 2 days and paid RM500 deposit. The form states that "all drinks and extra food are to be put on the bill at the end of the holiday". That night, Fiona became drunk and damaged the hotel property. They wanted to leave the hotel the next day without paying for the outstanding bills and the cost of the damage they have caused. Advise the hotel as to whether or not they are likely to recover their losses.

(18 marks)

- (b) The law of contract requires parties to a contract to be of sound mind when they entered into a contract. Discuss the concept sound mind as prescribed in the Contract Act 1950.

(7 marks)

(Total: 25 marks)

Question 3

- (a) Explain and give examples of the different ways in which a contract may be discharged. (14 marks)

- (b) Amy had entered into a contract with Barry to supply a certain raw material at the prevailing market price. The goods were to be delivered over a period of 24 months. For a number of months, the contract has been fulfilled and both parties were happy with the arrangement. However due to global market trend, the product became too expensive and Barry wishes to stop the purchase of the product. Advise Amy to what course of action may be taken by her if Barry stops accapeting the delivery of the product. Justify your answer.

(7 marks)

- (c) Would your answer to (b) be different if there was a change in the law prohibiting the import of the product?

(4 marks)

(Total: 25 marks)

Question 4

With reference to the Malaysian Sale of Goods Act 1957:

- (a) Define a contract for the sale of goods (5 marks)
- (b) Explain the concept of 'Transfer of title'. (10 marks)
- (c) Discuss any **THREE (3)** reasons on the importance of knowing when property passes from the seller to the buyer.

(10 marks)

(Total: 25 marks)

Question 5

- (a) Describe the case of *Salomon vs Salomon Co Ltd (1897)* and the legal principle that was established in this landmark case;
(10 marks)
- (b) Discuss **THREE (3) EXCEPTIONS** to the legal principle decided in the above case
(15 marks)
- (Total: 25 marks)**

Question 6

- (a) Describe the differences between “Contract for services” and “Contract of services” and explain TWO (2) test that can be applied to determine whether a worker is providing “Contract for services” and “Contract of services” .
(15 marks)
- (b) Describe any **FIVE (5)** situations where a contract of employment could be terminated.
(10 marks)
- (Total: 25 marks)**

~ The End ~

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