

FINAL
Examination Paper

(COVER PAGE)

Session : APRIL 2019

Programme : Diploma in Business (DIB)

Course : **LAW2100/2104: Foundation of Business Law**

Date of Examination : 26 July 2019, (Friday)

Time : 5:00pm – 7:00pm Reading Time : Nil

Duration : 2 Hours

Special Instructions :

Answer any **FOUR (4)** in the answer booklet provided.

Materials permitted : Nil

Materials provided : Nil

Examiner(s) : **Siti Baquiratul**, Shazanah Binti Sarwar Khan, Nurnazida Binti
Nazri, Gary Solibun and Chelvavinoothiny

Moderator : Dr Chan Wai Meng

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

DIPLOMA IN BUSINESS PROGRAMME (DIB)
LAW2104: FOUNDATIONS OF BUSINESS LAW
FINAL EXAMINATION: APRIL 2019 SESSION

Instruction: This paper consist of **SIX (6)** questions. Answer any **FOUR (4)** questions in the answer booklet provided.

Question 1

- (a) Suzy comes to you and request your advice pertaining two matters.
- i) Recently, Suzy entered into a Transfer of Property Agreement with her adopted son, Andrew whereby Suzy transferred his property in Subang Jaya to Andrew without any payment. Suzy was informed that the transfer was void for lack of consideration. Suzy was unhappy because she wanted to give the property to Andrew as a gift.
 - ii) Suzy obtained a Judgement against Shirley for the amount of RM10,000. Shirley wrote a letter and enclosed a cheque of RM8,000-00 as full and final settlement. Jane had used the money and now wants to demand from Shirley the balance of RM2,000-00. Advise Suzy on these two legal issues.
- (15 marks)
- (b) Discuss the presumption made by the courts on parties' intention to create legal relation.
- (10 marks)

Question 2

- (a) Two years ago, Jane entered into a Tenancy Agreement with Claire. According to the Tenancy Agreement Claire could rent the house at Klang ("the said house) for as long as she wanted for the rental of RM100 per month, since Jane has known Claire for a long time and wanted to help her. However, Jane is in financial problem and intends to sell the said house to Mary and comes to you for advice. Advise the validity of the Tenancy Agreement between Jane and Claire
- (10 marks)
- (b) Explain with reference to case laws, what is a condition and warranty.
- (15 marks)

Question 3

- (a) Jacob who is a seller of wooden furniture enters a contract with Syarikat Murali Sdn Bhd whereby the contract is for the purchase of 100 pieces of wood cabinet. One of the terms of the contract, there is a clause that stated “*goods sold are not returnable after 30 days of acceptance and Syarikat Murali Sdn Bhd will not be held liable for any defects if not returned after 30 days of acceptance*”. Jacob signed the agreement without reading the terms. He inspected the goods only 2 months after the delivery and found that more than half of the wood cabinets were unusable. Jacob intends to sue Syarikat Murali Sdn Bhd. Advise Jacob.

(10 marks)

- (b) Muthu went to SS Supermarket. There was a large notice board with red lettering at the entrance of the shop stating that “*SS Supermarket Sdn Bhd will not be responsible to anyone who is injured in the shop due to the condition of the shop SS Supermarket is currently undergoing renovation*” Muthu did not read the notice board before he entered the supermarket and while he was exiting the supermarket, he slipped and fell as a result of which he fractured his wrist.

Muthu is currently initiating legal action against SS Supermarket for compensation for his injuries. Advise Muthu

(15 marks)

Question 4

Discuss any **FIVE (5)** implied terms under the Sales of Goods Act 1957, with reference to relevant case laws

(25 marks)

Question 5

Liza and Chilo are good friends wish to set up a company that sells fresh flowers. Since they are both business graduates, they would be able to apply their knowledge in managing the business.

With reference to the above facts, answer the following questions:-

- (a) Define company and explain **THREE (3)** differences between a company and a partnership.

(10 marks)

- (b) Explain separate legal entity with reference to **THREE (3)** case laws

(15 marks)

Question 6

- (a) With reference to **TWO (2)** relevant case laws, discuss what constitutes Constructive Dismissal

(10 marks)

- (b) Discuss with relevant case laws the test used by the Courts to determine whether a person is an employee or an independent contractor.

(15 marks)

- The End -

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