

FINAL
Examination Paper

(COVER PAGE)

Session : AUGUST 2018

Programme : Diploma in Business (DIB)

Course : LAW2100/2104: Foundation of Business Law

Date of Examination : 7 December 2018, (Friday)

Time : 11:00am – 1:00pm 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, Chelvavinoothiiny Samy Nadzan, Nurnazida Binti Nazri, and Gary Solibun

Moderator : Dr Chan Wai Meng

This paper consists of 5 printed pages, including the cover page

DIPLOMA IN BUSINESS PROGRAMME (DIB)
LAW2100/2104: FOUNDATIONS OF BUSINESS LAW
FINAL EXAMINATION: AUGUST 2018 SESSION

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

Question 1

- (a) Mark promised Maria, his wife that if she perfected her Chicken Rendang recipe just like what Mark's mother used to make, Mark would pay her RM1,000-00. Maria took this as a challenge and enrolled in cooking classes and after 3 months, she finally could cook the Chicken Rendang. Even Mark's mother complimented her Chicken Rendang. Nevertheless, Mark refuses to pay and argues that there is no contract. Advise Maria.

(10 marks)

- (b) Mark obtained judgment against Jenny for the amount of RM10,000-00 for breach of contract. Jenny wrote a letter to Mark to pay RM5,000-00 as full and final settlement of the judgement and enclosed a cheque amounting to RM5,000-00 payable to Mark. Jenny also included in the letter saying that if Mark does not intend to accept the settlement, Mark is required to return the cheque to her. Mark cashed the cheque and used the money for his house renovation. Later Mark contacted Jenny and asked for the remainder RM5,000-00 Advise Jenny.

(15 marks)

(Total: 25 marks)

Question 2

- (a) With reference to **ONE (1)** decided case, explain what an Innominate term is.

(10 marks)

- (b) With relevant to **THREE (3)** decided cases, explain what is Conditions and Warranty.

(15 marks)

(Total: 25 marks)

Question 3

- (a) Janice recently went to Big Hypermarket and parked her car at the Big Hypermarket Parking Basement ('hereinafter referred to as the Basement'). When she entered the basement, she was given a ticket from the Automated Machine and it was stated on the Parking Ticket, that all terms and conditions including the Exclusion Clause are located on a Notice Board in the Basement. Nevertheless, the writings on the Notice Board was faded and could not be read and seen. Janice parked her car and went inside to the Hypermarket. When she returned from her shopping, she found the car's door were damaged and there were deep scratches on the body of the car. Janice asked for compensation from Big Hypermarket but Big Hypermarket refused and relied on the Exclusion Clause which stated that "Big Hypermarket would not be held responsible for any damages suffered by patrons" which was found on the Notice Board in the Basement. Advise Janice.

(15 marks)

- (b) Andy who is a sole trader carrying a business of selling scuba diving equipment's entered into a Sale and Purchase Agreement with Bart who is a wholesaler in selling scuba diving equipment's. Andy bought 50 units of underwater breathing apparatus from Bart. One of the clause in the Sale and Purchase Agreement, stated that Bart will not be held responsible for any defects and/or irregularities of the product once delivery has been made. Pursuant to the same clause, it was further stated that Andy was required to inspect the products before receiving it. Without reading the full terms of the contract, Andy signed and did not inspect the products. It was found out that only 5 out of the 50 units were useable. Andy felt as if he was cheated and wishes to take action against Bart for breach of contract by providing defective goods. Advise Andy.

(10 marks)

(Total: 25 marks)

Question 4

- (a) Cindy recently bought a set of eyeshadow pallet from Makeup Eternity Company. The Eye Shadow Pallet (“hereinafter referred to as the product”) has received positive review from beauty guru’s as well as makeup artist. At the store, she was advised by one of the shop assistants that the product is one of their highest best seller item as the colour stays on for 24 hours and it can be used even by people with sensitive skin. The Product retails at RM450-00 but she paid RM135-00 only as at the time of purchase, as there was a 70% discount for the said product. Upon opening the product, Cindy discovered that there was severe crack on the surface of the product. Nonetheless, Cindy proceeded to use and upon wearing it, the colours starts to fall off and is not pigmented as claimed. The next day, Cindy suffer eye infection and rashes around her eyelids. Advise whether Cindy can claim compensation from Makeup Eternity Company. (15 Marks)
- (b) With reference to statutory provision under the Sales of Goods Act 1957 and **TWO (2)** decided cases, explain the principle of ‘*Nemo dat quod non habet*’ (10 marks)

(Total: 25 marks)**Question 5**

In the case of *Salomon v A. Salomon & Co Ltd* (1897) AC 22, p 51, the House of Lords, Lord Macnagthen held that “*The Company is at law a different person altogether ...*”

Based on the abovementioned statement, discuss the concept of veil of incorporation with relevant case laws and identify **TWO (2)** instances supported with decided cases where court lift the veil of incorporation.

(Total: 25 marks)

Question 6

- (a) With reference to the relevant decided cases, discuss the test used to decide whether a person is employed under a Contract of Service or hired under a Contract for Service

(15 marks)

- (b) Ali works at NC Fried Chicken owned by NC Fried Chicken Sdn Bhd, a leading fast food chain in Malaysia. His job scope is to deliver food ordered by customers. Recently, he was instructed by his superior to deliver food to a company for their lunch gathering. On his way to deliver the food, he met into an accident where he hit another motorcyclist, Mike, thereby causing severe injuries to him. Mike intends to sue NC Fried Chicken Sdn Bhd for compensation. Advise NC Fried Chicken Sdn Bhd.

(10 marks)

(Total: 25 marks)

~ The End ~

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