

FINAL
Examination Paper

(COVER PAGE)

Session : AUGUST 2019

Programme : Diploma in Business (DIB)

Course : LAW2100/2104: Foundation of Business Law

Date of Examination : December 8, 2019 (Sunday)

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, Nurnazida Binti, 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)
LAW2100/2104: FOUNDATIONS OF BUSINESS LAW
FINAL EXAMINATION: AUGUST 2019 SESSION

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

Question 1

- (a) Charles promised Bella, his wife that if she attended cooking class session from 1st Jan 2019 to 31st Jan 2019 and perfected her Mac and Cheese dish, Charles agree to pay her RM2,000-00 for all her effort. Bella attended the cooking class session and Charles ate few bowls of the Mac and Cheese and complimented her for perfecting the dish. Nevertheless, Charles now refuses to pay RM2,000-00 and Bella is furious that Charles is breaking his promise. Advise Bella.

(15 marks)

- (b) While preparing for her school concert, Hanum, aged 16, the daughter of a prominent businessman, agreed to purchase five pairs of costumes and accessories from Glam Boutique for the sum of RM 10,000. The goods have been delivered. Now Glam Boutique demands payment from Hanum. Hanum refuses to pay and claim that she is not bound by the contract. Hanum seeks your advice on the matter.

(10 marks)

(Total: 25 marks)

Question 2

- (a) With reference to case laws, explain the concept of Innominate Terms

(10 marks)

- (b) Edward and Jacob entered into a contract where Jacob would carry out renovation works at Edward's bungalow house at Subang Hill. Among the terms of the renovation agreement are as follows-

Clause 1.1: the renovation will include fixing the front doors and windows of the house and the water piping system in the house.

Clause 1.2: Jacob is required to paint the rooftop to Ivory Brown.

The renovation works cost Edward RM100,00-00 and to be paid upon completion. On 1 October 2019, Jacob informed Edward that he had completed the renovation work of claim for RM100,000-00. Edward was astonished to find that the front door has a gap which is big enough to allow stray cats and dogs into the house. To his further disappointment, the colour of the rooftop was black. Advise Edward whether he should pay the RM100,000-00 to Jacob

(15 marks)

(Total: 25 marks)

Question 3

Sophia who is a regular customer of Super Hypermarket went and parked her car at the Super Hypermarket Parking Basement ('hereinafter referred to as the Basement') to do her usual weekly shopping. When she entered the basement, she was given a ticket from the Automated Machine and it was stated on the Parking Ticket all terms and conditions including the Exclusion Clause. Sophia parked her car and went inside to the Hypermarket. When she returned from her shopping, she found the car's door was damaged and there were deep scratches on the body of the car. Sophia asked for compensation from Super Hypermarket but Super Hypermarket refused and relied on the Exclusion Clause which stated that "Super Hypermarket would not be held responsible for any damages suffered by patrons" which was found on the Notice Board in the Basement. Advise Sophia.

(Total: 25 marks)**Question 4**

- (a) Amanda recently bought a set of blusher and eye shadow palette from B.A.C Company. 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 can be used even by people with sensitive skin as Amanda informed the shop assistant that she suffers from sensitive skin. Upon opening the product, Amanda proceeded to use and upon wearing it, Amanda suffer rashes around her eyelids. Advise whether Amanda can claim compensation from B.A.C Company under the Sales of Goods Act 1957.

(15 marks)

- (b) Discuss the differences between Agreement to sell and Contract of Sale

(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) Explain with relevance to **TWO (2)** case laws the concept of Redundancy

(10 marks)

(Total: 25 marks)

~The End~

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