



UNIVERSITI TUN HUSSEIN ONN MALAYSIA
FINAL EXAMINATION
SEMESTER I
SESSION 2012/2013

COURSE NAME : BUSINESS LAW
COURSE CODE : BPB 22903
PROGRAMME : 2 BPB
EXAMINATION DATE : DISEMBER 2012 / JANUARY 2013
DURATION : 2 HOURS 30 MINUTES
INSTRUCTION : ANSWER ALL QUESTIONS

THIS QUESTION PAPER CONSISTS OF **THREE (3)** PAGES

- Q1** (a) Mr. Stark ran a food manufacturing business in which he was the only shareholder of the business. He later turned the business into a limited company. His wife and two of his sons (Bruce and Rogers) became the shareholders and directors as well. The price fixed by the contract of sale to the company was RM 30,000. The purchase money that the company paid to Mr. Stark was RM 20,000 and the balance RM 10,000 was secured in the form of debentures (i.e Mr. Stark gave a loan to the company secured by a charge over the assets of the company). Soon after its incorporation, there were a series of strikes took place in the company and this has affected the production of the company. Worse still, the company was insolvent due to its incapability to pay the debts from several local banks. The banks then applied the court to order the company to be wound up.

Based on the above scenario;

- (i) Decide whether Mr. Stark is entitled to claim the assets of the company that have been charged to him.
(15 marks)
- (ii) Explain **THREE (3)** effects treating of the above type of company as a separate legal entity.
(6 marks)
- (b) Generally, companies can be classified into two categories i.e public companies and private companies. These companies are comparatively different to each other.

Explain **TWO (2)** differences between a public company and a private company.
(4 marks)

- Q2** (a) In 1990, Ah Chai, Ah Boon and Ah Sheng decided to form a business of selling clothes in Pt. Raja. There was no clear agreement among them as to the terms of partnership. However, by conduct they agreed to trust each other pertaining to any transaction of business that they were undertaking. In 1998, Ah Boon made a charge of several firm's properties as a security for the loan. It was believed that the facility was for the purpose of forming a new venture i.e selling used cars and accessories. The other partners seemed to disagree upon the loan transaction that he made. Meanwhile, Ah Sheng met an accident when the van he was driving hit a pedestrian. The victim was believed to be seriously injured and hospitalised.

Based on the above scenario ;

- (i) Decide whether Ah Chai and Ah Sheng are liable upon the loan transaction made by Ah Boon.
(10 marks)
- (ii) Decide whether the above partners are liable if the injured pedestrian sues them.
(10 marks)

- (b) A partnership may not last forever. It may be dissolved at any times by any means.

List **FIVE (5)** ways when partnership can be dissolved.

(5 marks)

- Q3** (a) In the case of Beale and Taylor [1967] 1 W.L.R 1193, the court decided that the seller had breached in an implied condition of sale by description.

Explain;

- (i) Sale by descriptions.

(5 marks)

- (ii) The fact and decision of Beale and Taylor.

(5 marks)

- (b) The buyer has the right to reject the goods delivered if they are found to be inconsistent to the terms of the contract. One of the circumstances of such inconsistency is that when the goods delivered are less in quantity as compared to the stipulated terms.

Analyse the above situation by giving a relevant decided case.

(15 marks)

- Q4** (a) Section 14 of the Employment Act 1955 states that "An employer may, on the grounds of misconduct inconsistent with the fulfillment of the express or implied conditions of his service, after due inquiry....."

Discuss the position of the Malaysian Courts concerning the implementation of the domestic inquiry in the light of the above provision.

(15 marks)

- (b) List **FIVE (5)** types of express terms in the contract of employment.

(10 marks)

-END OF QUESTION-