



UNIVERSITI TUN HUSSEIN ONN MALAYSIA

**FINAL EXAMINATION
SEMESTER II
SESSION 2013/2014**

COURSE NAME : BUSINESS LAW
COURSE CODE : BPB 22903
PROGRAMME : 3 BPA
EXAMINATION DATE : JUNE 2014
DURATION : 2 HOURS 30 MINUTES
INSTRUCTION : ANSWER ALL QUESTIONS

THIS QUESTION CONSISTS OF FOUR (4) PAGES

- Q1** (a) Mr. Nawwfal ran a food manufacturing business called Mau Mau Sdn. Bhd. Initially, he and his family were the only shareholders of the company. However, during the economic turmoil, the demand of food base product was plunged significantly. In order to sustain his business, he sold it to a company and in return the latter pays in the form of shares and agreed to pay the remainder over times. The company later charged some of its assets to Mr. Nawwfal as the security of its debt. Apparently, Mr. Nawwfal was one of the board directors and still had several shares in the company. After several years of its operation, the company was declared insolvent due to the mismanagement and other external factors.
- (i) Explain whether Mr. Nawwfal is entitled to the assets of the company during liquidation process supported by a decided case. (9 marks)
- (ii) Explain the rights and liabilities of the above type of company apart from entering into the contract with its members. (6 marks)
- (b) Describe **FIVE (5)** features of the holding and subsidiary company as vested under section 5(1) of the Companies Act 1965. (10 marks)
- Q2** (a) Hanan, Habib and Hakim were best friends in the university. After graduation, they decided to form a business selling clothes and women accessories. No fixed term for the duration of the partnership was mentioned in the agreement. However, they collectively agreed to trust each other in any activity related to the business. After a year of its establishment, the firm decided to expand the business by venturing new kind of business selling imported cars. One of the partners, Hanan was assigned to look into source of fund from the local creditor. Unfortunately, after getting the fund, she purportedly misused some of this facility for her own interest. The other partners knew about her conduct but never took any action to deter her. Meanwhile, Hakim was sued for negligently causing injury of a pedestrian in a serious accident recently. The accident occurred when he was travelling for vacation with his family. The firm faced more tragic moment when Habib was caught for cheating his client in the course of selling the firm's product.
- (i) Discuss whether Hanan and other partners are liable for loan made by her. (5 marks)

- (ii) Discuss whether Hakim and other partners are liable for causing injury to the pedestrian.
(5 marks)
- (iii) Discuss whether Habib and other partners are liable for the crime of cheating the firm's client when selling the product.
(5 marks)
- (b) Explain the following cases whether there is a partnership subsists among the parties concerned supported by a relevant provision.
 - (i) Mei Ling, Goh and Lee have decided to form a partnership business for selling books. Among the agreed terms is one that excludes Lee from sharing any profit.
(5 marks)
 - (ii) If the above partnership as in **Q2 (b) (i)** plans to engage Siva to manage the business and one of the terms of employment is that he will participate in the profit of the business.
(5 marks)

Q3 (a) Explain the following concepts under the sale of goods law.

- (i) Definition of implied condition and warranty
(2 marks)
 - (ii) Sale by sample
(2 marks)
 - (iii) *Nemo dat quod non habet*
(2 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.

(9 marks)

- (c) Ah Chai, a businessman wanted to sell his car and advertised it as a 'BMW 5 Series M Sport 2005...'. Ah Boy read the advertisement and immediately went to view the car. After seeing the car, he agreed to buy it. Later, it was discovered that while the rear half of the car was part of a 'BMW 5 Series M Sport 2005', the front half was part of an earlier model, a 'BMW 5 Series E39 1999'.

Advise Ah Boy based on the above situation supported by a decided case.

(10 marks)

- Q4** (a) An assault involves an act of the defendant who causes the plaintiff a reasonable apprehension of an immediate infliction of force on him.

Explain the essential elements of an assault.

(6 marks)

- (b) A developer plans to develop a housing project in a piece of land gazzetted as a temporary occupation license (TOL). Some of the equipment and machines have been deployed in the area of TOL holders' house. These have caused obstruction in their access in and out of the area.

Discuss whether a TOL holder can bring an action for ejectment against the developer.

(9 marks)

- (c) Ravi was playing football with his friends in an orchard. The orchard was full with fruit trees such as grapes and apples. The landlord knew about their intrusion and plans to take a legal action against Ravi and his friends. Ravi counter claimed that neither he nor his friends plucked a single fruit and no damage was caused whatsoever in the land.

Discuss whether the landlord can proceed for his action.

(10 marks)

-END OF QUESTIONS-

