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UNIVERSITI TUN HUSSEIN ONN MALAYSIA

**FINAL EXAMINATION
(TAKE HOME)
SEMESTER II
SESSION 2019/2020**

COURSE NAME : BUSINESS LAW
COURSE CODE : BPB 22903
PROGRAMME CODE : BPA / BPB
EXAMINATION DATE : JULY 2020
DURATION : 24 HOURS
INSTRUCTION : ANSWER **ALL** QUESTIONS
OPEN BOOK EXAMINATION

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

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TERBUKA

Q1 Chempaka wants to sell her house at Senibong Cove and advertises it in Berita Harian at price RM550,000-00 and giving her telephone number. Adam sees the advertisement and rings Chempaka and makes an appointment to see the house. Adam likes the house but cannot agree a price with Chempaka, his highest offer being RM530,000, while Chempaka insists on RM550,000-00. On the negotiations they have agreed that one of the methods of communication would be by post. On the following Monday Adam receives a letter from Chempaka offering him the house for RM540,000 00 and saying that Adam can have until noon on Friday to think about it. On Wednesday evening Adam meets his brother Malique in their local. Malique tells Adam that Chempaka's sister in law bought the house earlier that day for RM540,000 00. Adam goes straight home and writes a letter to Chempaka, accepting her offer to sell at RM540,000-00. He posts the letter immediately and Chempaka receives it on Thursday morning, but replies by return saying "You are too late. I have sold the house to my sister-in-law."

- (a) Explain to Adam on legal perspective pertaining to the above scenario as follows.
- (i) The validity of invitation to treat by Chempaka.
 - (ii) Adam's counter offer to contract with reference to the Contract Act 1950.
 - (iii) The postal rule under the contract law and relevant case law. (6 marks)
- (b) Analyze Adam's right to revoke the contract and his right under the contract. (4 marks)
- (c) Illustrate with examples on the following concept under the sale of goods law.
- (i) Implied Conditions.
 - (ii) Implied Warranties. (6 marks)
- (d) The English rule *nemo dat quod non habet* is set out in Section 27 Sale of Goods Act 1957.
- Analyze the above said legal maxim with illustration. (5 marks)

Q2 (a) Mr Andrew and Mr Z intend to form a business entity in Malaysia. They are undecided whether to set up a company or a partnership. Mr Andrew want the business entity have a limited liability wherein Mr Z want a simple and easy manage business entity.

Differentiate **THREE (3)** legal differences between a company and a partnership and propose a suitable form of business entity to meet their requirement.

(10 marks)

- (b) A partner is an agent to the other partner and they are jointly liable in a civil case.
- (ii) Discuss **TWO (2)** circumstances when a partner is jointly liable for the act done by the other partner. (3 marks)
- (ii) Explain a liability of a partner with regards criminal cases together with case law and illustration. (3 marks)
- (c) Arif and Hakim are partners in A&H Book Store which having business in supplying books to schools. They employed Raju to manage the business in Johor Bahru for a salary of RM5, 000-00 per month and the commission of 5 percent out of the partnership profit every year. Furthermore, Arif decided to change the partnership business into laundry business without Hakim's consent.
- (i) Discuss whether Raju is a partner to the partnership. (3 marks)
- (ii) Discuss the validity of the partnership of the laundry business. (3 marks)
- (d) Mr. Z is the Managing Director of ABC Engineering Sdn. Bhd (the company). He bought a semi-detached house (the house) owned by Mr. Alibaba who is also one of the ABC Engineering Sdn. Bhd.'s contractor in one of the company's development projects (the project). Mr. Alibaba sold the house which was valued RM5 Million for the price of RM2 Million only. Mr. Alibaba also requested Mr. Z to secure a letter of intent of the said project and also as an inducement to assist the approval and speed up the progress development payment.
- Mr. Z was charged for bribery under the Malaysian Anti-Corruption Commission Act 2009. He raised the defence that there was no offence on the sale and purchase of the house.
- Analyze this case with reference to the relevant act. (7 marks)

- END OF QUESTIONS -