



UNIVERSITI KUALA LUMPUR BUSINESS SCHOOL

FINAL EXAMINATION

JANUARY 2016 SEMESTER

SUBJECT CODE : EBB 20103
SUBJECT TITLE : ISLAMIC LAW OF CONTRACTS
LEVEL : BACHELOR
TIME / DURATION : 3:00 PM - 6:00PM / 3 HOURS
DATE : 27TH MAY 2016

INSTRUCTIONS TO CANDIDATES

1. Please read the instructions given in the question paper CAREFULLY.
2. This question paper is printed on both sides of the paper.
3. Choose any **FIVE (5)** questions given.
4. Please write your answers on the answer booklet provided.
5. All questions must be answered in English (any other language is not allowed).
7. This question paper must not be removed from the examination hall.

THERE ARE THREE (3) PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

SECTION A (Total: 100 marks)

INSTRUCTION: Choose any FIVE (5) questions given.

Please use the answer booklet provided.

Question 1

Explain the **FIVE (5)** restrictions on legal capacity (*al-hajr*) for contracting parties.

(20 marks)

Question 2

Examine the legality of the sale-based contract as follows:

- a. Your sister trade-in her old gold necklace which the old price was RM2000 to the new one that cost RM2500. She just added RM500.
- b. A person has checked in hotel at 11.00 pm but she needs to pay full day rate.
- c. You can make payment when delivery man delivers your pizza.
- d. A takaful company offers takaful coverage for customer's asset which is purchased under a conventional loan.
- e. A lessee has liable any defects in the premise that caused by crime.
- f. It is made compulsory to all the road users to use touch & go with a minimum reload RM10.00.
- g. A weekly campaign 'no plastic bag' in any supermarkets and grocery stores is an initiative by the government. The customers, however, can request the plastic bag but they will be charged RM 0.20 per bag.
- h. A passenger asks his money back from airline company as the flight was delayed for few hours due to the heavy haze.
- i. A celebrity asks for extra payment (*ujrah*) from seller for the product review as she has a million followers on instagram.
- j. An apartment in Kuala Lumpur has been auctioned at RM90,000 but I won the bid at RM250,000.

(20 marks)

Question 3

- a. You as a coin collector, sells ancient coins to your customer at above value. Suggest **TWO (2)** guidelines to be followed to avoid *ghabn al-fahish*. (8 marks)
- b. What are the modern practices of the following contracts? Provide **ONE (1)** example for each contract with detailed explanation.
- i. *Bay' salam*
 - ii. *Bay' istisna'*
 - iii. *Bay' sarf*

(12 marks)

Question 4

Irfan met a car dealer to buy a car. He had test drive and proceed with booking fee RM 1000. While waiting the car which is expected to be ready within 2 weeks, he met the car specialist and being informed that the new model (yet to launch) is better than the existing model that he already booked. He is in doubt, but finally decided to meet the car dealer to cancel the reservation.

Referring to the above case,

- a. what is the type of contract between contracting parties? (4 marks)
- b. identify the prohibited element(s) found in this case. (8 marks)
- c. discuss the right of option(s) that can/cannot be exercised by the party. (8 marks)

Question 5

- Start your business with us today which only cost you RM 4.10! Buy simcard at RM98.60 which are inclusive with the GST RM 5.60, airtime RM30.00, IGB data RM38.00, bonus RM 20.00 and bonus cash back 3%.
- You will get bonus fast track RM 20 per customer, plus bonus top-up every time your downlines reload.
- Not only that, you have chance to join lucky draw when you top-up minimum RM 200. 5 winners will be randomly chosen to Istanbul.
- We also protect you with insurances with minimum monthly reload RM50.

Tone weak, a telco company, has advertised their business as above. Justify the legality of the offer in the eye of Islamic law of contracts.

(20 marks)

Question 6

A buyer has purchased the house which is cost RM400,000 financing by Maybank Islamic Bank Berhad by offering *musharakah mutanaqisah* contract. The house must be completed within 24 months as per stated in the agreement. Unfortunately, the housing project was delayed and could not be completed within stipulated time. The developer then asks for another 1 year extension from the bank but he disagrees and intends to revoke the contract with the bank. He met you for opinion.

Solve the above dispute.

(20 marks)

100 marks

END OF QUESTION PAPER