



UNIVERSITI KUALA LUMPUR
MALAYSIAN INSTITUTE OF MARINE ENGINEERING TECHNOLOGY

FINAL EXAMINATION
SEPTEMBER 2016 SEMESTER

COURSE CODE : LGB 30603
COURSE NAME : BUSINESS LAW
PROGRAMME NAME : BACHELOR OF MARITIME OPERATION
DATE : 18 JANUARY 2016
TIME : 09.00 AM – 12:00 PM
DURATION : 3 HOURS

INSTRUCTIONS TO CANDIDATES

1. Please **CAREFULLY** read the instructions given in the question paper.
2. This question paper has information printed on both sides of the paper.
3. This question paper consists of **TWO (2)** sections; Section A and Section B.
4. Answer **ALL** questions in Section A. For Section B, answer **THREE (3)** questions.
5. Answer all questions in English language **ONLY**.

THERE ARE 5 PAGES OF QUESTIONS, INCLUDING THIS PAGE.

SECTION A (Total: 40 marks)

INSTRUCTION: Answer ALL questions.

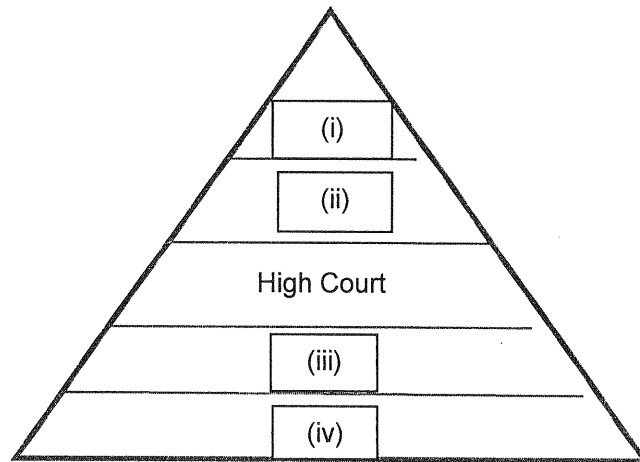
Please use the answer booklet provided.

QUESTION 1 (20 marks)

a) There are four main classifications of law. Explain any **TWO (2)** of the classifications with illustrations or examples.

(12 marks)

b) The diagram below shows hierarchy of Courts in Malaysia. Complete the diagram accordingly.



(8 marks)

QUESTION 2 (20 marks)

a) One of the main elements of a valid contract is an offer. Is a display of goods on shelf of a supermarket considered an offer? Support your answer with a relevant case.

(8 marks)

b) A valid contract is enforceable by law. Explain the elements of a valid contract.

(12 marks)

SECTION B (Total: 60 marks)

INSTRUCTION: Answer any THREE (3) out of FOUR (4) questions.

Please use the answer booklet provided.

QUESTION 3 (20 marks)

a) Examine the following situations and determine whether the contract is “voidable” or “void”. Explain the reasons for your answers.

i) Alif, on board an English ship on the high seas, causes Imran to enter into an agreement by threatening to kill Imran’s children.

(3 marks)

ii) Mr Mike suffers serious illness. His personal doctor, Dr. Robert, induce him to pay an unreasonable sum for his professional services

(3 marks)

iii) Ahsan promises to pay RM 50 000 to Salman for trading illegal wildlife.

(3 marks)

iv) Nora intending to deceive Maimunah, told her that the cat that she wants to sell to Maimunah is a Persian cat. In fact, the cat is not a Persian cat.

(3 marks)

(3 marks x 4 Q = 12 marks)

b) A contract can be discharged by several ways. Elaborate **FOUR (4)** ways of discharge of contract

(8 marks)

QUESTION 4 (20 marks)

a) There are several elements of a partnership. Examine the following situations and decide whether the following parties are partner. Explain reasons for your answers.

i. Yusuf and Yunus shared their money to buy a shophouse. The shophouse is rented and the rental derived from the shophouse is shared between them.

(2 marks)

ii. Rahman owns a taxi but the taxi is driven by Rahim. Every month, Rahman receives money for the rent of his vehicle and Rahim is paid wages for his work.

(2 marks)

iii. Sally lends RM 10 000 to Susi and Riri who intend to operate a chain of burger stalls. Sally enters into a written contract with Susi and Riri. They agreed that Susi will be repaid RM 10 000 together with 15 per cent interest. Is Sally a partner to Susi and Riri?

(2 marks)

iv. Pak Lan is a salesman for Life Magazine Sdn Bhd. He is paid 5 percent of the profits the company makes out of magazines sold by him.

(2 marks)

(2marks x 4 Q = 8 marks)

b) Yazid, Zul and Zaidi formed a partnership operating a clinic. Yazid and Zul were active partners while Zaidi was a sleeping partner.

One day, after involved in a road accident, Susanti went to the clinic and received treatment from Yazid. Susanti told Yazid about the road accident. Yazid suggested Susanti to take a legal action. Susanti then took a legal action as advised.

Later, the Court ordered her to pay certain amount of money against Defendant of the case.

Susanti claimed that the clinic has given a wrong legal advice and she wanted to sue Yazid, Zul and Zaidi. Advice Susanti.

(12 marks)

QUESTION 5 (20 marks)

- a) There are different types of business organization. Differentiate between company and partnership. **(8 marks)**
- b) Ahmad, Ibrahim, Azfar, Amin are the shareholders of the ABC Sdn Bhd . In a company meeting, they agreed to buy a set of furniture for their company. Azfar went to the shop to buy the furniture worth RM 25,000 on debt from San San Furniture Sdn Bhd. The furniture is sent to the main branch of the ABC Company. The company fails to pay the debt. A claim is brought against Azfar for the amount due. Azfar claim that he is not liable for the debt. Advise San San Furniture. Support your answer with legal provisions and legal case. **(12 marks)**

QUESTION 6 (20 marks)

- a) An agency may be created in several ways. Explain and provide illustrations for the following ways of creating an agency.
- i. Implied appointment by the Principal **(4 marks)**
 - ii. Ratification by the principal **(4 marks)**
 - iii. Necessity **(4 marks)**
- b) Halim appoints Hisyam to act as his agent. Hisyam agrees to act without payment. Halim ask Hisyam to collect rent on the 27th of every month. On 30th August, Halim found out that Hisyam did not collect the rent as ordered. Halim sued Hisyam for breach of duty under a contract of agency. Hisyam claimed that the contract of agency is not valid because he received no payment for the work done. Is Hisyam liable for breach of a contract of agency? **(8 marks)**