



UNIVERSITI KUALA LUMPUR
MALAYSIAN INSTITUTE OF MARINE ENGINEERING TECHNOLOGY

FINAL EXAMINATION
JANUARY 2017 SEMESTER

COURSE CODE : LGB30603
COURSE NAME : BUSINESS LAW
PROGRAMME NAME : BACHELOR OF MARITIME OPERATIONS (HONS)
(FOR MPU: PROGRAMME LEVEL)
DATE : 04/07/2017 TUE
TIME : 9.00 AM - 12.00 PM
DURATION : 3 HOURS

INSTRUCTIONS TO CANDIDATES

1. Please read **CAREFULLY** the instructions given in the question paper.
 2. This question paper has information printed on both sides.
 3. This question paper consists of **TWO (2)** sections; Section A and Section B. Answer **ALL** questions in Section A and **THREE (3)** questions from Section B.
 4. Please write your answers on the answer booklet provided.
 5. Write your answers only in **BLACK** or **BLUE** ink.
 6. Answer all questions in English.
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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) One of the main elements of a valid contract is an offer. Is an advertisement an offer under Contract Law? Support your explanation with examples of situations and a relevant case. **(8 marks)**
- b) One of the sources of written law in Malaysia is legislation which is divided into primary legislation and subsidiary legislation. Explain **THREE (3)** differences between primary legislation and subsidiary legislation **(12 marks)**

QUESTION 2 (20 marks)

- a) Determine whether the following situations are considered as an "OFFER" or an "INVITATION TO TREAT".
- i. Ramli enters Aeon Mall and selects some clothes and groceries. He puts these items into his shopping trolley. **(2 marks)**
 - ii. Didi advertises that he would offer RM 100 to anyone who found his cat, Kitty. **(2 marks)**
 - iii. Subway restaurant displays different types of breads on the shelves. **(2 marks)**
 - iv. Nagoya Textile advertises promotion for Hari Raya in Berita Harian newspaper. **(2 marks)**
- b) A valid contract is enforceable by law. Explain **THREE (3)** elements of a 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) Ibrahim agreed to pay Ilham RM 100,000 for supplying 200 gambling machines.
(4 marks)

ii) Ahmad is a Director of PPT Publishing Sdn Bhd. Fauziah agreed to marry him because Ahmad told her that she will be fired if she refused to marry him.
(4 marks)

iii) Abraham had a Rolex watch. He offered his watch to Sony for RM 500.00 but Sony said that he will only buy the watch for RM 100.00. Since Abraham is really in need of money, he agreed to sell the watch for RM 100.00 even though the price is so low for that particular watch.
(4 marks)

(3Q x 4 marks = 12 marks)

b) Differentiate between an offer and an invitation to treat in the Law of Contract. Support your answer with an example of situation.

(8 marks)

QUESTION 4 (20 marks)

- a) Define the term agency and give an example of situation to support your answer. (4 marks)
- b) An agency may be created in several ways. Explain and provide examples of situation 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)
 - iv) Estoppel (4 marks)
- (4Q x 4 marks = 16 marks)

QUESTION 5 (20 marks)

- a) Explain what is meant by “goods” according to Sale of Goods Act 1957 (10 marks)
- b) Fatimah ordered 200 packets of Rempah Soto Sedap from Encik Hassan. However, Fatimah found that only 60 packets of the spices delivered to her bears the brand of ‘Rempah Soto Sedap’. Fatimah is not satisfied with the good delivered. Fatimah seeks your advice. With reference to the Sale of Goods act 1957, advise whether Fatimah can claim for damages. (10 marks)

QUESTION 6 (20 marks)

a) Under the law of partnership, there are certain elements need to be fulfilled to form a partnership. Briefly explain these elements.

(8 marks)

b) Examine the following circumstances and decide whether the parties are partner. Explain reasons for your answers.

i) Mamat and Mustapha purchased a teashop. The shop is leased on a daily rent; which is divided between both of them.

(4 marks)

ii) Rahimah is a caterer who agreed with Mahfuzah to provide food for Mahfuzah's restaurant. Rahimah is to pay for the ingredients and Mahfuzah to provide the restaurant. Under the agreement, Rahimah is to receive 60% of the gross takings and Mahfuzah the other 40%.

(4 marks)

iii) Karim and Azmi formed an association to start a flour mill. They agreed to share profits and losses in equal shares. But their contract provides that Karim will have sole control, supervision and management and Azmi will be a sleeping partner.

(4 marks)

END OF EXAMINATION PAPER