UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL

FINAL EXAMINATION
MARCH 2025 SEMESTER

COURSE CODE	:	EAB21303
COURSE NAME	:	COMMERCIAL LAW
PROGRAMME NAME	:	BACHELOR IN ACCOUNTING (HONS)
DATE	:	2 JULY 2025
TIME	:	2.00 PM – 5.00 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 **FIVE (5) Questions.**
4. Answer **FOUR (4)** questions **ONLY.**
5. Please write your answers on the answer booklet provided.
6. 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.**
8. Students are allowed to refer to an unannotated **Civil Law Act 1956 and Contract Act 1950, Sale of Goods Act 1957 and Hire Purchase Act 1967, and Partnership Act 1961** when answering their questions during examination.

THERE ARE FOUR (4) PAGES OF QUESTIONS, INCLUDING THIS PAGE.

INSTRUCTION:

Answer FOUR (4) questions only (Total: 100 marks)
Please use the answer booklet provided.

Question 1

A proposal (offer) is necessary for the formation of an agreement. Section 2(a) of the Contracts Act 1950 provides that "when one person signifies to another his willingness to do or to abstain from doing anything, with a view to obtain assent of that other to the act or abstinence, he is said to make a proposal".

Discuss four (4) principles of proposal (offer) to form a valid contract and support your answer with relevant provisions of the Contract Act 1950 and decided cases.

(25 marks)

Question 2

Discuss the terms "Condition and Warranty" under the Sale of Goods Act 1957 and the circumstances where condition can be treated as warranty.

(25 marks)

Question 3

Discuss five (5) statutory rights (provided under the Hire-Purchase Act 1967) of hirers under a hire purchase contract.

(25 marks)

Question 4

On 01/04/2015, Miss Ariel, after gaining a promotion as a Manager decided to purchase an insurance policy on the life of her husband, Mr. Blackmore under 'Supreme Care VIP-Plan (Class 1). After being convinced by Bibiyana, an insurance agent for TEKADHIDUP Assurance Berhad, she further take out a property/dwelling insurance policy under "Home-Protection Plan-1" on a bungalow which belongs to her father on the belief that one day, her father will transfer the house to her. The policies provide protection for the structure of the house including the floors, walls, built-in appliances and ceilings, as well as any attached structures. It also covers a variety of perils including fire, hail, theft and vandalism and further can help the house owner to rebuild his/her home in the event of a total loss. Miss Ariel never failed to service her monthly payments of premium for the two insurance policy purchased by her and accordingly receiving her receipt for the said payments from TEKADHIDUP Assurance Berhad.

Six month later Miss Ariel decided to visit her father at Taman Rashidah Utama, Puchong, to celebrate his 60th birthday together. She was accompanied by her husband as she wanted to show her husband the layout of the bungalow that she took the property insurance policy on. Miss Ariel has the intention of moving in to the said bungalow if allow by her father so that she could be near to her father and look after him since the bungalow is only 2 kilometers away from his father's current resident. Upon reaching Puchong, Miss Ariel and her husband encountered a thunderstorm that produce lightning strike and hail as large as ping pong balls which pounded the area. Rainfall was heavy and a few trees along the highway was struck by lightning. The disc jockey on her car radio warned drivers to be extra careful as the area was heavily affected by the storm and the resident experienced a total blackout after storms took down every power tower in the area.

After celebrating her father's birthday, Miss Ariel asked for the keys to the bungalow from her father. Her father gave Miss Ariel the keys but reminded her and her husband not to wander into the kitchen as it needs extensive repairs due to wood rot which might worsen because of the thunder storm. When Miss Ariel arrived at the bungalow, she forgot about her father's reminder. Her husband went into the kitchen and started softly shaking the middle pillar of the kitchen to check its stability when the whole kitchen structures suddenly collapsed on top of him. Miss Ariel husband died as a result of the incident.

Miss Ariel was distraught for a while but soon after remembered that she had taken two insurance policies from TEKADHIDUP Assurance Berhad. The first one was a life insurance

policy "'Supreme Care VIP-Plan (Class 1)" on the life of her husband, Mr. Blackmore and the second one was a property insurance policy under "Home-Protection Plan-1" which she takes out on the said bungalow. She tried to claim under both the insurance policies but was rejected by the insurance company citing that Miss Ariel lacked insurable interest in both policies.
Miss Ariel seek your advice on the followings:-

(1) Whether Miss Ariel has insurable interest on the bungalow owned by her father?

(10 marks)

(2) Whether Miss Ariel has insurable interest on the life of her husband, Mr Blackmore?

(15 marks)

Question 5

Under the Islamic Law of Contract, muslim who attains the age of puberty is having a legal capacity to discharge his rights and duties under a contract in a manner recognized by law without being subject to approval of any other person. Briefly explain the principles recognized by the muslim jurists in determining the age of puberty amongst the muslims.

(25 marks)

END OF EXAMINATION PAPER