



UNIVERSITI TUN HUSSEIN ONN MALAYSIA

**FINAL EXAMINATION
SEMESTER II
SESSION 2014/2015**

COURSE NAME : BUSINESS LAW
COURSE CODE : BPB 22903
PROGRAMME : 3 BPA / 3 BPB
EXAMINATION DATE : JUNE 2015 / JULY 2015
DURATION : 2 HOURS 30 MINUTES
INSTRUCTION : ANSWER ALL QUESTIONS

THIS QUESTION PAPER CONSISTS OF **FOUR (4)** PAGES

- Q1** (a) Jenny, Johnny and Jonathan were best friends in the university. After graduation, they decided to form a business partnership under the Partnership Act 1961 selling apparel and women accessories. No fixed term for the duration of the partnership was mentioned in the agreement. However, they collectively agreed to trust each other in any activity related to the business. After a year of its establishment, the firm decided to expand the business by venturing new kind of business i.e. selling imported carpet. One of the partners, Jenny was assigned to look into source of fund from a local creditor. Unfortunately, after getting the fund, she purportedly misused some of this facility for her own interest. The other partners knew and were all upset about her conduct. Meanwhile, Johnny was sued for negligently causing injury of a pedestrian in a serious accident recently. The accident occurred when he was travelling for vacation with his family.

Based on the above scenario;

- (i) Discuss whether Jenny and other partners are liable for loan made by her. (5 marks)
- (ii) Discuss whether Johnny and other partners are liable for causing injury to the pedestrian. (5 marks)
- (b) Discuss the following cases whether there is a partnership subsists among the parties concerned supported by a relevant provision.
- (i) Mei Hua, Ah Moi and Lee Ling have decided to form a partnership business for selling books. Among the agreed terms is one that excludes Lee Ling from sharing any profit. (5 marks)
- (ii) If the above partnership as in **Q1(b)(i)** plans to engage Lai Lee to manage the business and one of the terms of employment is that he will be empowered in making decision of the firm. (5 marks)
- (c) Once a company registered, it is considered as an artificial person which distincts from its members.

Explain **TWO (2)** effects of treating a company as a separate legal entity. (6 marks)

- (d) Generally, a company can be incorporated as a private or a public company. Both type of companies have their different characteristics.

Distinguish **FIVE (5)** different characteristics between a private company and a public company.

(10 marks)

- (e) By virtue of the Limited Liabilities Partnership Act 2012, a business entity which is registered under this Act has more advantage over the conventional partnership because it offers participants flexibility in business ownership.

Explain **TWO (2)** features of limited liability partnership as distinct from a conventional partnership.

(4 marks)

- Q2** (a) Discuss the following concepts under the sale of goods law.

(i) Sale by sample.

(5 marks)

(ii) *Nemo dat quod non habet*.

(5 marks)

- (b) The buyer has the right to reject the goods delivered if they are found to be inconsistent to the terms of the contract. One of the circumstances of such inconsistency is that when the goods delivered are less in quantity as compared to the stipulated terms.

Analyse the above situation by giving a relevant decided case.

(10 marks)

- (c) Ah Chai, a businessman wanted to sell his car and advertised it as a 'BMW 5 Series M Sport 2005...'. Ah Boy read the advertisement and immediately went to view the car. After seeing the car, he agreed to buy it. Later, it was discovered that while the rear half of the car was part of a 'BMW 5 Series M Sport 2005', the front half was part of an earlier model, a 'BMW 5 Series E39 1999'.

Advise Ah Boy based on the above situation supported by a decided case.

(10 marks)

Q3 (a) Trespass to land is actionable per se under the law of tort.

Define trespass to land.

(3 marks)

(b) Tort is a civil wrong or wrongdoing as against someone else. It is independent of contract : that is to say, it gives rise to an action for damages irrespective of any agreement not to do the act complained of.

Differentiate **TWO (2)** elements of the following branches of law;

(i) Tort and crime.

(6 marks)

(ii) Tort and contract.

(6 marks)

(c) Gemilang Construction Sdn. Bhd. (herewith called as the developer) is developing a new industrial land in Johor into factory lots for sale. The project is adjacent to a piece of land owned by Datuk Rahman (herewith called as the complainant). In order for the project to run within its schedule, the developer then constructed a stretch of road right across the complainant's land to enable a free access of traffic. However, the complainant is not satisfied with the developer's action on the ground that it will soon damage his land. The developer counterclaims that since the complainant's land is in between of the development zones, there is nothing they can do except to access his land and moreover there is no evidence of actual damage found in the said land.

Advise Datuk Rahman on his legal rights against the developer.

(7.5 marks)

(d) A developer plans to develop a housing project in a piece of land gazetted as a temporary occupation license (TOL). Some of the equipment and machines have been deployed in the area of TOL holders' house. These have caused obstruction in their access in and out of the area.

Discuss whether a TOL holder can bring an action for ejectment against the developer.

(7.5 marks)

- END OF QUESTIONS -