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Universiti Tun Hussein Onn Malaysia

UNIVERSITI TUN HUSSEIN ONN MALAYSIA

**FINAL EXAMINATION
SEMESTER II
SESSION 2021/2022**

COURSE NAME : BUSINESS LAW

COURSE CODE : BPB 22903

PROGRAMME CODE : BPA / BPB

EXAMINATION DATE : JULY 2022

DURATION : 3 HOURS

INSTRUCTIONS : 1. ANSWER ALL QUESTIONS

**2. THIS FINAL EXAMINATION IS
CONDUCTED VIA CLOSED BOOK**

**3. STUDENTS ARE PROHIBITED TO
CONSULT THEIR OWN MATERIAL
OR ANY EXTERNAL RESOURCES
DURING THE EXAMINATION
CONDUCTED VIA CLOSED BOOK**

THIS QUESTION PAPER CONSISTS OF THREE (3) PAGES

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TERBUKA

Q1 (a) Explain the situation under which a person may be liable for the act of the firm when in fact, he is not a partner. Kindly refer to the relevant provision of law and a decided case. (4 marks)

(b) Mr. A, Mr. B, and Mr. C are partners in a firm carrying on a bus transportation business. One day Mr. A involve in an accident when he accidentally injured a bystander beside the road named Mr. Abu. The firm’s bus was also damaged. Mr. A borrowed RM2,000 from Mr. Sabu to repair the bus as the firm had no money at that time but without informing other partners about the loan. A week after that, Mr. B was charged under Anti Money Laundering and Anti-Terrorism Financing Act 2001 (“AMLA”) for his involvement in the gangster group in Johor Bahru.

Analyse the liability of the partners of the firm as follows:

(i) The liability of the partners to Mr. Abu; (10 marks)

(ii) The liability of the partners to Mr. Sabu; and (10 marks)

(iii) The liability of the partners to the criminal charge under AMLA (10 marks)

(c) The corporate veil principle was tested and established by the decision in the House of Lords in Salomon v. Salomon & Co [1897].

Discuss the fact of the above case and **TWO (2)** effects of treating the company as separate legal entities. (6 marks)

Q2 (a) (i) Under the Sale of Goods Act 1957, the buyer has the right to reject the goods if they are less or larger in quantity than in the contract.

Discuss the buyer’s rights in the above situation by referring to the relevant laws. (6 marks)

(ii) Terms in the contract of sale of goods can be classified into two, i.e., conditions and warranties.

Explain conditions and warranties by referring to the relevant laws. (4 marks)



(b) Decide the following scenario based on the Sale of Goods Act 1957.

- (i) Wawa ordered a brand-new car “Mezda BMX-9” model, from an authorized car dealer in Batu Pahat. She relied on the specification given by the car dealer at the time of negotiation. However, when delivered, it was found that the car was another model of “Mezda BMX-8”. Being dissatisfied with the car delivered, Wawa was poised to take legal action against the car dealer.

Advise Wawa on her rights under the relevant laws.

(10 marks)

- (ii) Jenny agreed to sell her handbag to Jessi for RM1000. The advertisement and negotiation were made on Jenny’s Instagram. Soon after the payment had been made, Jenny delivered the handbag to another person called Wati. Jessi felt victimized and took legal action against Wati to claim the handbag. Meanwhile, Wati contended that she was unaware of Jenny and Jessi’s previous transaction.

Advise Jessi on her rights under the relevant laws.

(10 marks)

- Q3** (a) The creation of the agency may take several forms. The law does not specify that the agency shall be gone through any formality. It is also unnecessary for the parties, especially the agent and principal, to fulfill the element of the consideration.

Explain **FIVE (5)** situations in which the agency can be created.

(10 marks)

- (b) An agent is bound to conduct the business of his principal according to the directions given by the principal.

Elaborate **FIVE (5)** types of duties owed by an agent towards his principal based on the above statement.

(10 marks)

- (c) Najib appoints Ah Chong to purchase 1000 kg of flour from Flour Flour Sdn. Bhd. While carrying out such duty, Ah Chong decided to place an order of 1500 kg instead. Initially, Najib is unhappy with Ah Chong’s conduct and refuses to pay the bill as it exceeds his instruction. Ah Chong approaches Najib and persuades him to accept the order.

Advise Najib on his rights under the relevant laws.

(10 marks)

-END OF QUESTIONS-