



**UNIVERSITI TUN HUSSEIN ONN MALAYSIA**

**FINAL EXAMINATION  
SEMESTER II  
SESSION 2023/2024**

- COURSE NAME : BUSINESS LAW
- COURSE CODE : BPB 22903
- PROGRAMME CODE : BPA
- EXAMINATION DATE : JULY 2024
- DURATION : 3 HOURS
- INSTRUCTIONS :
1. ANSWER ALL QUESTIONS
  2. THIS FINAL EXAMINATION IS CONDUCTED VIA
    - Open book
    - 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 **FOUR (4)** PAGES

- Q1 (a)** The court may declare a contract voidable for various reasons, and the aggrieved party has the option to do so.
- (i) Discuss **FOUR (4)** situations that make a contract voidable by referring to the provisions in the Contract Act 1950. (10 marks)
- (ii) Explain **TWO (2)** legal remedies available to the aggrieved party in the event of the breach of the contract. (6 marks)
- (iii) Explain **TWO (2)** elements that make a person to be competent to enter into a contract. (4 marks)
- (b)** In the landmark case of **Carlill vs Carbolic Smoke Ball Company (1893) QB 256 (CA)**, the English Court established precedents.
- Discuss the principle that has been established in the above case. (4 marks)
- (c)** In the case of **Merritt v Merritt [1971]**, the court established one of the essential elements of a valid contract: the intention of the parties to create a legal relation.
- Explain **TWO (2)** factors the court would consider in determining the intention to create legal relations involving estranged spouses. (6 marks)
- (d)** In 2015, Kaya Properties Sdn Bhd leased a block of apartments to Lakseri Apartments Sdn Bhd for an annual rent of RM 150,000. In 2020, the economic downturn caused by the COVID-19 pandemic significantly reduced the occupancy rate of the apartments, which affected Lakseri's ability to pay the full rent. To assist Lakseri during this challenging time, Kaya Properties agreed to a temporary reduction in rent, lowering it to RM 75,000 per year for the duration of the pandemic.
- In 2022, as the economy improved and occupancy rates returned to pre-pandemic levels, Kaya Properties notified Lakseri that it wanted to return to the original rent of RM 150,000 per year. Additionally, Kaya Properties demanded the payment of rent arrears from the period when the reduced rent was paid.
- Examine whether Kaya Properties has a valid claim over Lakseri Apartment based on the law of contract. (10 marks)

- Q2** (a) Discuss the situation when a person is liable for “holding out” supported by a decided case.  
(5 marks)
- (b) Discuss the responsibility of a partner when the other partners engage in criminal activities supported by a relevant case law.  
(5 marks)
- (c) Mr. Ally and Mr. Billy are partners in A&B Enterprise. They hired Mr. Chilly as a manager for their restaurant in Batu Pahat. Mr. Chilly receives a commission of 10% of the firm's monthly profits. Further, the firm obtained a loan of RM100,000 from Bengkok Bank.
- Analyse whether Mr. Chilly bears responsibility for repaying the RM100,000 loan from Bengkok Bank if A&B Enterprise becomes insolvent, supported by the relevant law.  
(10 marks)
- (d) Mr. So lends RM1 Million to Mr. Poi and Mr. Hoi to start up their business. However, the business is not sustainable due to the outbreak of a disease that badly affects the country. Despite the economic downturn, Mr. So sues Mr. Poi and Mr. Hoi for the loan borrowed. However, both claimed that Mr. So is their partner and therefore cannot claim the money back.
- Advise Mr. So on his rights against Mr. Poi dan and Mr. Hoi.  
(10 marks)
- Q3** (a) A condition is a stipulation essential to the main purpose of the contract, the breach of which gives rise to a right to treat the contract as repudiated.
- Discuss **FIVE(5)** types of implied conditions under the Sales of Goods Act 1957.  
(10 marks)
- (b) The “*nemo dat quod non habet*” rule is that the transferor of goods cannot pass a better title than he himself possesses.
- Elaborate **TWO (2)** exceptions of this rule.  
(10 marks)
- (c) The dealer's salesman, Mr Peanut told Mr Barley that the clutch of a second-hand Jaguar was not operating properly, but that he thought it could be put right by a minor repair. The price was reached on the understanding that Mr Barley would have the clutch repaired at his own garage. He drove it for about 200 to 300 miles over a period of four weeks and then took it to his garage, where it was found that the defect was far more serious and that the engine would have to be dismantled to repair the clutch system.

Analyse whether Mr Peanut has breached implied condition under the Sales of Goods Act 1957.

(10 marks)

- END OF QUESTIONS -