



PENINSULA
C O L L E G E
GEORGETOWN



UNIVERSITY OF
PLYMOUTH

FINAL EXAMINATION

Programme Name	:	BA (HONOURS) ACCOUNTING & FINANCE 3+0 IN COLLABORATION WITH UNIVERSITY OF PLYMOUTH
Course Code & Name	:	MAL1010 BUSINESS LAW
Duration	:	3 HOURS

INSTRUCTIONS TO CANDIDATES:

1. Please read the instructions given in the question paper **CAREFULLY**.
2. The question paper consists of **Section A and Section B**.
3. Answer **ALL** questions in Section A and Section B. To answer multiple choice questions, candidates should write the letter (e.g. a, b, c or d) which represents their answer in their answer booklet.
4. Candidates should write their answer to section b in their answer booklet. There is a total of 25 marks available for section b. The marks available for each question are written by the question.
5. Answers to the questions are to be written into the examination booklet.
6. Electronic dictionaries, lecture notes, files or any unauthorised materials except writing equipment are strictly prohibited.

This question paper must be submitted along with all used and/or unused rough papers and/ or graph papers (if any). Candidates are **NOT ALLOWED** to take any examination paper(s) used or unused out of the examination hall.

WARNING:

The Examination Board of Peninsula College Georgetown regards cheating as a very serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in the accordance with the clauses stipulated in the Students' Handbook, up to and including expulsion from Peninsula College Georgetown.

(This booklet contains 7 printed pages including this page)

DO NOT OPEN THIS BOOKLET UNTIL YOU ARE ALLOWED TO DO SO

Section A: Multiple Choice Questions.

Attempt all questions. Choose one answer (a, b, c, or d) and write the letter (a, b, c, or d) in the answer booklet. **[25 marks]**

1. Based on the court hierarchy in Malaysia, the highest court in Malaysia is known as the: (1 mark)
 - a. High Court
 - b. Sessions Court
 - c. Federal Court
 - d. Syariah Court

2. Public law refers to law which: (1 mark)
 - a. governs the relationship between state and another state.
 - b. governs the relationship between individuals and the state.
 - c. deals with matters that affect rights and duties of individuals among themselves.
 - d. governs the relationship between various offences committed by individuals.

3. Adat Perpatih is a distinct tradition practiced among the Malays in the present day Negeri Sembilan and Naning areas in Malacca, settled by Minangkabau migrants from Sumatra, Indonesia and based on the: (1 mark)
 - a. descendant system
 - b. matrilineal system
 - c. patriarchal system
 - d. Malaysian legal system

4. The Court of Appeal is bound by the previous decisions of: (1 mark)
 - a. the Court of Appeal only
 - b. the Sessions Court only
 - c. all the Subordinate Courts
 - d. the Court of Appeal and the Federal Court

5. For a contract to be valid there must be a proper acceptance by the offeree. When the offeror specifies acceptance is to occur through the postal rule, acceptance is effective: (1 mark)
 - a. when there is no response from the offeree.
 - b. when the letter of acceptance is posted.
 - c. upon receipt of the letter of acceptance by the offeror.
 - d. when the letter is received and acknowledged by the offeror.

6. Which one of the following statements is incorrect in relation to sales at auction? (1 mark)
- a. The offer of the bidder is accepted with the fall of the hammer.
 - b. Withdrawal of an offer can be made by the bidder any time before the fall of the hammer.
 - c. Bidders at an auction are accepting an offer made by the auctioneer.
 - d. The auctioneer's request for bids is an invitation to treat.
7. Which one of the following statements is incorrect? (1 mark)
- a. Agreements between parent and child are presumed as having no intention to be binding.
 - b. There is a strong presumption in social agreements that parties intend to be legally bound.
 - c. There is a strong presumption in commercial agreements that parties intend to be legally bound.
 - d. Where an agreement is between husband and wife there is a rebuttable presumption that the parties do not intend to create legal relations.
8. The doctrine of privity of contract means: (1 mark)
- a. A person is not bound by a contract to which he is not a party; however, if the contract is made for his benefit he may enforce it.
 - b. A person is not bound by a contract to which he is not a party, nor may he enforce the contract, even if the contract is expressly made for his benefit.
 - c. It is possible for a person to be bound by a contract to which he is not a party but even if the contract is made for his benefit, he may not enforce it.
 - d. It is possible for a person to be bound by a contract to which he is not a party and, if it is made for his benefit, he may also enforce the contract.
9. Nick verbally agrees to rob his friend's neighbour in return for RM500. In the context of contract law, which of the following statement is true? (1 mark)
- a. The contract is illegal and therefore not valid.
 - b. The contract must be in writing for it to be enforceable.
 - c. Contracts made between friends are never legally binding.
 - d. The contract is enforceable if Nick is found not guilty of robbery.
10. Which of the following cases involved an agreement between a husband and wife? (1 mark)
- a. *Simpkins v Pays*
 - b. *Choo Tiong Hin v Choo Hock Swee*
 - c. *Balfour v Balfour*
 - d. *Jones v Padavatton*

11. In the event of breach of contract, the difference between a condition and a warranty is important because it determines: (1 mark)
- The amount of damages available to the innocent party.
 - The type of damages available to the innocent party.
 - The remedy available to the innocent party.
 - Whether or not the court will exercise its discretion to grant specific performance.
12. In the context of contract law, which of the following is a common law remedy for breach of contract? (1 mark)
- Damages
 - Specific performance
 - Injunction
 - Rescission
13. Which of the following is a frustrating event in a contract? (1 mark)
- Supervening illegality.
 - Impossibility and the unavailability of a party to the contract.
 - Outbreak of war.
 - All of the above.
14. Daniel has been working for Three Sixty Ltd for 10 years but his employment contract does not specify a notice period in the event of termination. What is the minimum period of notice to which he is entitled under the Employment Act 1955? (1 mark)
- Four weeks
 - Six weeks
 - Eight weeks
 - Seven weeks
15. Which of the following statements best describes a contract of service? (1 mark)
- A contract under which one party supplies services to another.
 - A contract under which one party is employed by the other to work for the other in accordance with the terms of employment in consideration of wages.
 - A contract under which one party is required to supply workers for the other.
 - A contract under which one party provides personal services to the other for a fixed duration in return for a fee.

16. Which of the following does not need to be shown in an action for the tort of negligence? (1 mark)
- That a duty of care was owed to the claimant by the defendant.
 - That there was breach of that duty of care.
 - That there was a contractual relationship between the parties.
 - That injury or damage was caused by the failure to exercise reasonable care.
17. What case laid down the fundamental test for determining duty of care? (1 mark)
- Bourhill v Young*
 - Donoghue v Stevenson*
 - Heaven v Pender*
 - Barnett v Chelsea and Kensington Hospital Management Committee*
18. Which of the following statements relating to partnerships is correct? (1 mark)
- Partnerships are terminated and reconstituted each time a partner joins or leaves.
 - Partnership property is individually owned by the partner(s) who brought the asset(s) into the business.
 - A partnership is a separate legal entity.
 - A partnership cannot register a business name because it is not an incorporated entity.
19. In the case of *Salomon v Salomon & Co Ltd* (1897) the High Court of England held that: (1 mark)
- Mr Solomon acted as an agent of the company and was therefore liable for the company's debt.
 - Mr Solomon acted as a trustee for the company and was therefore liable for the company's debt.
 - The company was a separate legal entity (separate from its director) and it incurred debts in its own right.
 - The company was not liable to its creditors because the losses were caused by circumstances beyond Mr Solomon's control.
20. What is the period of maternity leave that female employees are eligible for under the Employment Act 1955? (1 mark)
- 60 days
 - 90 days
 - 45 days
 - 70 days

21. Peter is the owner of a bakery shop. He employs Ying as a part time helper who works during the weekend. Peter is fully liable for the business' debt. What type of business does Peter own? (1 mark)
- a. A partnership
 - b. A company limited by guarantee
 - c. A sole trader
 - d. None of the above
22. Which of the following statements relating to a private company is not correct? (1 mark)
- a. It is a company limited by shares.
 - b. It has not more than 50 shareholders.
 - c. It restricts the transfer of its shares.
 - d. It can offer its shares or debentures to the public.
23. In company law, the term 'veil of incorporation' can be defined as: (1 mark)
- a. A company is a separate legal entity to its shareholders and directors.
 - b. A company has perpetual succession.
 - c. A company pays corporation tax.
 - d. A company owns its own property.
24. In the context of corporate personality, which of the following statements with respect to the debts of the company is correct? (1 mark)
- a. the liability of a member in a company limited by guarantee is based on all a company's debts at anytime.
 - b. the liability of a member in a company limited by guarantee is based on the company's debts on a winding up only.
 - c. the liability of a member in a company limited by guarantee is based on the amount which he agreed to contribute upon a winding up.
 - d. the liability of a member in a company limited by shares is based on the amount which he agreed to contribute upon a winding up.
25. Partnerships were introduced by which Act of Parliament? (1 mark)
- a. The Partnership Act 1961 (Revised 1974)
 - b. The Partnership Act 1967 (Revised 1974)
 - c. The Partnership Act 1997 (Revised 1974)
 - d. The Partnership Act 1961 (Revised 2016)

Total: [25 marks]

Section B: Answer **ALL** questions on the separate sheet provided.

[25 marks]

26. Can English Law be applied in Malaysia? What are the conditions to be satisfied for the application of English Law in Malaysia? (3 marks)
27. What are the important criteria that a person of sound mind must fulfil under section 12 of the Contracts Act 1950? (2 marks)
28. Can consideration be provided by other persons instead of the promisee? Support your answer with relevant statutory provisions and case law. (5 marks)
29. In relation to employment law, outline the remedies available to an employee for unlawful dismissal. (2 marks)
30. What are the defences to a claim of negligence that can be raised by a defendant in tort law? (2 marks)
31. In company law, a resolution refers to an official decision that is made after a group or organisation has voted. State the percentage of votes and the notice periods required for ordinary resolution and special resolution. (4 marks)
32. Briefly explain the **TWO (2)** different types of meeting held in a company. (4 marks)
33. Amry agreed to sell his car to Bama for RM25,000. Amry agreed to fit the car with new tyres before delivery to Bama. However, when the car was delivered to Bama it was found that the car was not fitted with new tyres as promised. Which type of contractual term has been breached by Amry? Consider whether Bama is entitled to terminate the contract with Amry and outline the suitable remedy. (3 marks)

Total: [25 marks]

- END OF QUESTIONS -