



PENINSULA
COLLEGE
GEORGETOWN DK266-03(P)

FINAL EXAMINATION

Semester	:	SEPTEMBER 2025 SEMESTER
Programme Name	:	DIPLOMA OF ACCOUNTANCY DIPLOMA IN BUSINESS STUDIES DIPLOMA IN LOGISTICS MANAGEMENT DIPLOMA IN E-BUSINESS TECHNOLOGY
Course Code & Name	:	DBLW4013 DEB2213 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 **FOUR (4)** questions.
3. Answer **ALL** questions in the question paper.
4. Answers to the questions are to be written into the examination booklet.
5. 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 accordance with the clauses stipulated in the Students' Handbook, up to and including expulsion from Peninsula College Georgetown.

(This booklet contains 4 printed pages including this page)

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

Answer **ALL** questions on the separate sheet provided.

[100 marks]

1. a) Ahmad, a landowner, owed his friend Bala RM50,000, due for repayment in June 2024. In May 2024, Bala told Ahmad, "If you transfer your old motorcycle to me, I will treat your debt as fully settled." The motorcycle was worth about RM3,000. Ahmad agreed and transferred ownership of the motorcycle to Bala. Three months later, Bala demanded that Ahmad pay the remaining RM47,000, arguing that the motorcycle's value was grossly inadequate consideration and therefore did not discharge the entire debt. Ahmad refused, insisting that Bala had accepted the motorcycle in full satisfaction of the debt. Bala now sues Ahmad for the balance.

Evaluate whether Bala's acceptance of the motorcycle amounts to discharge or remission of the whole debt. (8 marks)

- b) Describe **THREE (3)** conditions required under section 26(a) of the Contracts Act 1950 where a contract is enforceable even though there is no consideration. (3 marks)

- c) Explain the general presumption of intention to create legal relations under social agreements. Support your answer with relevant case law. (4 marks)

- d) Ali and his wife, Siti, had been married for ten years. During the marriage, Ali worked in Johor Bahru while Siti stayed in Penang with their two children. Before Ali left for work, he promised Siti: "If you stay in Penang and take care of the children, I will send you RM2,000 every month for your expenses." For the first six months, Ali sent the money regularly. However, after six months, Ali stopped sending the monthly allowance. Siti then filed a claim against Ali, seeking to enforce his promise to pay RM2,000 per month, arguing that it was a legally binding contract.

Discuss whether the agreement between Ali and Siti was intended to create legal relations under contract law. Support your answer with relevant case law.

(10 marks)

Total: [25 marks]

2. a) Identify **FOUR (4)** vitiating factors that may affect the validity of a contract. (4 marks)

- b) Describe **TWO (2)** situations where a court may find a contract to be illegal. (4 marks)

- c) Define "fraud" in contract law which may result in a contract being voidable, and support your answer with **ONE (1)** relevant case law. (5 marks)

- d) Zara wanted to buy a second-hand mobile phone online. She contacted a seller, Daniel, who advertised a “brand-new, authentic Apple iPhone 15 Pro” at a discounted price. During their chat, Daniel assured her that the phone was original and still under warranty. After receiving the phone, Zara discovered that it was a refurbished imitation, not an original Apple product. When she confronted Daniel, he admitted that he knew it was not genuine but said that “most buyers wouldn’t know the difference anyway.” Zara now wishes to cancel the sale and recover her money.

Analyse the validity of the contract in light of the above circumstances.

(12 marks)

Total: [25 marks]

- 3 a) A partnership is a common form of business organisation in Malaysia where two or more persons carry on business in common with a view to profit, as defined under Section 3(1) of the Partnership Act 1961. While a partnership offers several benefits, it also carries certain disadvantages and may be terminated under specific circumstances.

- i) Outline any **TWO (2)** advantages and **TWO (2)** disadvantages of operating a partnership business. (8 marks)
- ii) Outline **THREE (3)** ways in which a partnership may be terminated under the Partnership Act 1961. (3 marks)

- b) Differentiate between discharge by performance and discharge by frustration under the Contracts Act 1950. (4 marks)

- c) Amira, a professional singer, entered into a contract with Harmony Events Sdn Bhd to perform at a corporate concert on 20 June 2024. One week before the event, Amira was diagnosed with a severe throat infection and was medically advised not to sing for at least one month. Despite this, Harmony Events demanded that Amira perform as agreed, claiming that her illness was not a valid excuse for non-performance. Amira insists that she should not be held liable for breach.

Consider the validity of the contract. Support your answer with statutory provision and case law. (10 marks)

Total: [25 marks]

4. a) Hafiz rented a motorbike from Speedy Rentals Sdn Bhd for a weekend trip. The rental company did not inspect the motorbike before handing it over. While riding, the motorbike suffered brake failure, causing Hafiz to crash. He sustained a fractured leg and had to undergo surgery, incurring RM5,000 in medical expenses.

Consider whether Speedy Rentals Sdn Bhd is liable for negligence for the injuries suffered by Hafiz. (18 marks)

- b) State any **THREE (3)** examples of tort. (3 marks)

- c) Explain any **TWO (2)** defences that defendant may raise to limit or avoid liability.

(4 marks)

Total: [25 marks]

- END OF QUESTIONS -