



SCHOOL OF BUSINESS

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) : _____

Subject Code & Name : **BMK 1302 – FUNDAMENTAL OF BUSINESS LAW**
 Semester & Year : January – April 2018
 Lecturer/Examiner : Mr. Anandaselvam Kannan
 Duration : 3 Hours

INSTRUCTIONS TO CANDIDATES

1. This question paper consists of 2 parts:
 PART A (75 Marks) : Answer all FIVE (5) short answer questions. Answers are to be written in the Answer Booklet provided.
 PART B (25 Marks) : Answer ONE (1) Case study Scenario Question. Answers are to be written in the Answer Booklet provided.
2. Candidates are not allowed to bring any unauthorized materials except writing equipment into the Examination Hall. Electronic dictionaries are strictly prohibited.
3. This question paper must be submitted along with all used and/or unused rough papers and/or graph paper (if any). Candidates are NOT allowed to take any examination materials out of the examination hall.
4. Only ballpoint pens are allowed to be used in answering the questions, with the exception of multiple choice questions, where 2B pencils are to be used.

WARNING: The University Examination Board (UEB) of BERJAYA University College regards cheating as a most 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 BERJAYA University College.

PART A: FIVE (5) SHORT ANSWER QUESTIONS
INSTRUCTION(S): There are FIVE (5) short answer questions. Answer all questions in the Answer Booklet(s) provided.

Question 1

Anson has decided to do business. He has no experience and seeks your advice on the following matters:

- a) Briefly explain **THREE (3)** types of business organizations. (3 marks)
 - b) Explain **FOUR (4)** differences between them. (12 marks)
- (15 Marks)**

Question 2

Directors are a central figure in a Company. Based on the Company Act 2016 and case laws, answer the following questions:

- a) Explain the requirements of becoming a director in Malaysia. (3 marks)
- b) Discuss the fiduciary and statutory duties of directors. (8 marks)
- c) **Two (2)** remedies available to company for breach of duties. (4 marks)

Total (15 marks)

Question 3

Simon is the Human Resource Manager of Aman Logistic Sdn Bhd. Simon is a Chemistry graduate but apparently appointed as the new Human Resource Manager. He is on the job training and lacks sound knowledge of Employment laws and Management, and this has resulted him recruiting a couple of incompetent employees. Advise Simon on the following matters.

- a) The differences between contract of service and for service. (3 marks)
- b) The **THREE (3)** main types of dismissals. (6 marks)
- c) The **THREE (3)** remedies available for the dismissals. (6 marks)

Total (15 marks)

Question 4

Whether standard or tailored made agreements, parties always enter 'Exemption Clause'

Into an agreements.

- a) Differentiate between Exclusion clause and limitation clause. (3 marks)
- b) Explain **THREE (3)** ways to incorporate exemption clause into a contract with decided case laws. (12 marks)

Total (15 marks)

Question 5

In Malaysia, the law of agency is governed by Part X, Contract Act 1950.

The parties who enter into agency agreement must fulfill the requirements of the Act.

- a) In the context of the law of agency, briefly explain any **THREE (3)** ways in which an agency can be created. (6 marks)
- b) Explain **FOUR (4)** duties owed by an agent to his principal under the Contract Act 1950. (4 marks)
- c) The **TWO (2)** ways in which an agency can be terminated. (3 marks)
- d) One (1) duty of principal towards agent. (2 marks)

Total (15 marks)

END OF PART A

PART B: ONE (1) Case study Scenario Question. (25 marks)
INSTRUCTION: Answer the question in the Answer Booklet (s) provided.

Question 1

Consider the following separate and independent transactions in the light of the Sale of Goods Act 1957:

- a) Ali purchased an expensive soil testing equipment from John for RM60,000 to be paid in five equal installments. An agreement was signed. One of the clauses stated that the equipment will not pass to the buyer until the last and final payment has been made. Before Ali could make the final payment, the soil testing equipment was stolen from John's. Who will bear the risk?
(7 marks)
- b) Tan Ah Meng has agreed to purchase a Land Surveyor Kit from Vincent as he is migrating to Australia. On examination of the Land Surveyor Kit, Tan Ah Meng noticed that the reading screen is cracked. Vincent promised to replace a new screen. While the kit was in the workshop, it was damaged by flood waters. Has the property in the Land Surveyor Kit passed to Tan Ah Meng. Advise Tan Ah Meng, who bears the liability.
(6 marks)
- c) Phang placed an order for 50 Digital Theodolite, which was manufactured in West Germany from 'The specialist supplier of Survey Equipment Sdn Bhd'. When the Kits were delivered five sets was discovered to be made in Taiwan. Can Phang refuse to accept the entire 50 sets of the Digital Theodolite.
(6 marks)
- d) Stanley sold 10 set of solar compass to Saad. The goods have been delivered to Saad's office but Saad has not paid for the goods despite repeated demands made by Stanley. Stanley informs that the 10 set are kept at Saad's office. Can he take back the goods from Saad's office on the ground that Saad has defaulted in payment?
(6 marks)

Total: (25 marks)

END OF EXAM PAPER

