

**FINAL EXAMINATION****COURSE NAME : BUSINESS LAW****COURSE CODE : HLB2023****DURATION : 2 HOURS****INSTRUCTIONS TO CANDIDATES:**

1. This question paper consists of **THREE (3)** parts : PART A (15 questions)
: PART B (15 questions)
: PART C (10 questions)
2. Answer ALL questions from PART A, PART B and PART C.
 - i. Answer PART A in the Objective Answer Sheet.
 - ii. Answer PART B in the True/False Answer Sheet.
 - iii. Answer PART C in the Answer Booklet provided.
3. Please check to make sure that this examination pack consists of :
 - i. The Question Paper
 - ii. An Answer Booklet
 - iii. An Objective Answer Sheet
 - iv. A True/False Answer Sheet
4. Do not bring any material into the examination hall unless permission is given by the invigilator.
5. Please write your answer using a ball-point pen.

MYKAD NO. : _____**I/D NO. :** _____**LECTURER :** _____**SECTION :** _____

DO NOT OPEN THIS QUESTION PAPER UNTIL YOU ARE TOLD TO DO SO

This question paper consists of 09 printed pages

MAR2024/C/HLB2023

PART A: MULTIPLE CHOICE

Answer ALL questions.

1. **(1 point)**
How many exceptions to the requirement of consideration in the agreement are stated in Section 26 of the Contract Act 1950?
 - A. 2
 - B. 3
 - C. 4
 - D. 5

2. **(1 point)**
Which of the following is **NOT** a remedy under the law of contracts?
 - A. Damages
 - B. Specific Performance
 - C. Injunction
 - D. Imprisonment

3. **(1 point)**
How many types of consideration are there in the law of contracts?
 - A. 2
 - B. 3
 - C. 4
 - D. 5

4. **(1 point)**
Which of the following is the effect of a counter offer on the contract?
 - i. A counter offer destroys the original offer.
 - ii. A counter offer is not an acceptance.
 - iii. A counter offer supersedes the initial offer
 - iv. A counter offer concludes the contract.
 - A. i and ii
 - B. i and iv
 - C. i, ii and iii
 - D. i, ii and iv

5. **(1 point)**

Steven has agreed to sell the antique Dragon Vase to Lim at the price that Lim has offered. Then Rony offered a higher purchase price to Steven, resulting in Steven refusing to sell the Dragon Vase to Lim according to the agreed price.

If Lim insists on continuing the contract, what is the appropriate remedy that can be claimed by him at the court of law?

- A. Specific Performance
- B. Reinstatement
- C. Injunction
- D. Damages

6. **(1 point)**

Which of the following is **NOT** a goods under the Sale of Goods Act 1957?

- A. Chair
- B. Computer
- C. Grass
- D. Bungalow house

7. **(1 point)**

A condition is a stipulation _____ to the main purpose of the contract, its breach entitles the parties to _____.

- A. essential, repudiate the contract
- B. collateral, damages
- C. repudiate the contract, essential
- D. damages, collateral

8. **(1point)**

Agreement to sell means _____.

- A. the ownership in the goods passes from the seller to the buyer at the time the contract is made.
- B. the ownership in the goods passes from the seller to the buyer at a future time.
- C. the ownership in the goods passes from the buyer to the seller at the time the contract is made.
- D. the ownership in the goods does not passes from the seller to the buyer.

9. **(1point)**

What does it mean by the common law principle of "Caveat Emptor"?

- A. seller has to exercise care in making purchase.
- B. buyer has to exercise care in making purchase.
- C. hirer has to exercise care in making purchase.
- D. drawer has to exercise care in making purchase.

10. **(1 point)**
Following are the goods specified on First Schedule of Hire Purchase Act 1967
EXCEPT a _____.
- A. train
 - B. car
 - C. lorry
 - D. motorcycle
11. **(1 point)**
Which of the following is a party in a Hire Purchase Agreement?
- A. Drawer
 - B. Owner
 - C. Payee
 - D. Seller
12. **(1 point)**
To whom a copy of a Hire Purchase Agreement must be served by the owner within 21 days after it is made.?
- A. Agent
 - B. Hirer
 - C. Dealer
 - D. Buyer
13. **(1 point)**
The owner may repossess the goods if the hirer has defaulted _____.
- A. one payment
 - B. two successive payments
 - C. three successive payments
 - D. four successive payments
14. **(1 point)**
Which of the following is **NOT** an example of a Negotiable Instrument?
- A. Postal order
 - B. Bills of exchange
 - C. Promissory notes
 - D. Cheque

15. **(1 point)**
Which of the following is not a party to the bill of exchange?
- A. Drawer
 - B. Drawee
 - C. Offeree
 - D. Payee

PART B: TRUE / FALSE

*Indicate whether these statement is **TRUE** or **FALSE**.*

1. **(1 point)**
Invitation to treat is a form of acceptance in response to the offer made by the offeror.
2. **(1 point)**
Acceptance made by the offeree must be absolute and unqualified for it to be valid.
3. **(1 point)**
The contract for the sale of goods must be made in writing.
4. **(1 point)**
A contract of sale of goods is a contract where the seller transfers or agrees to transfer the property in the goods to the buyer for a price.
5. **(1 point)**
Goods bought under a contract of sale of goods must be free from encumbrance.
6. **(1 point)**
In a contract of sale of goods, time is not an essence of the contract unless specified.
7. **(1 point)**
A contract of sale of goods entered into by a minor is valid and enforceable.
8. **(1 point)**
A hirer in a hire purchase agreement cannot sell the goods to another because he is not the owner.
9. **(1 point)**
A hire purchase agreement which is not signed by the hirer is valid.
10. **(1 point)**
A hire purchase agreement must be made in national language or English language only.
11. **(1 point)**
Hire purchase agreement may be made orally.
12. **(1 point)**
A Hirer has the right to remove the goods provided he gets an order from Magistrate.

13. **(1 point)**
Negotiable instrument is an order made in writing to transfer money from one person to another person.
14. **(1 point)**
Payee is a person who writes the bill.
15. **(1 point)**
If the bankers pay to the wrong person, he is not liable to bear for the loss.

PART C: SHORT ANSWER

Answer ALL questions

1. **(5 points)**
List any **FIVE (5)** elements of a valid contract.
2. **(5 points)**
Briefly explain any **TWO (2)** rules on consideration. Support your answer with relevant explanation.
3. **(5 points)**
Briefly explain any **TWO (2)** types of contract that can be entered by a minor. Support your answer with relevant explanation.
4. **(5 points)**
Ismail signed a sale and purchase agreement with Musa to sell a double story house in Cameron Highlands. Unfortunately, before the transaction is complete, the house destroyed in an earth quake. Advise Ismail as to whether he can discharge himself from the sale and purchase agreement. Support your answer with relevant explanation and/or case law.
5. **(5 points)**
List any **FIVE (5)** exceptions to the *Nemo Dat Quod Non Habet* Rule.
6. **(5 points)**
Briefly explain any **TWO (2)** remedies available for the unpaid seller in a contract of sale of goods.
7. **(5 point)**
State **FIVE (5)** content of a Hire Purchase Agreement as stated in Section 4C of the Hire Purchase Act 1967.
8. **(5 points)**
Briefly explain **TWO (2)** obligations of a hirer as laid down in the Hire Purchase Act 1967. Support your answer with relevant explanation.
9. **(5 points)**
List **FIVE (5)** characteristic of the bill of exchanges.

10. **(5 points)**
Briefly explain **TWO (2)** types of crossing under Section 76 of the Bills of Exchange Act 1949. Support your answer with relevant explanation.

END OF QUESTION PAPER