



## 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** : \_\_\_\_\_

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

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*This question paper consists of 08 printed pages*

OCT2023/D/HLB2023

**PART A: MULTIPLE CHOICE**

Answer ALL questions.

1. **(1 point)**  
A contract can be made \_\_\_\_\_
  - A. in writing
  - B. orally or in writing
  - C. orally, in writing or by conduct
  - D. by post only
  
2. **(1 point)**  
What is the effect of a counter proposal?
  - A. An acceptance has been made
  - B. It destroys the original offer
  - C. It concludes the contract
  - D. It invites the people to make a proposal
  
3. **(1 point)**  
Which of the following is **NOT** the type of consideration?
  - A. Executory consideration
  - B. Executed consideration
  - C. Past consideration
  - D. Reciprocal promise
  
4. **(1 point)**  
Khairil put an agreement in writing to transfer his property to his son, Mikhail and registered the agreement. The agreement does not need any consideration from Mikhail by reason of \_\_\_\_\_.
  - A. agreement made on account of natural love and affection
  - B. agreement to compensate for past voluntary act
  - C. agreement to pay for an act the promisor was legally compellable to do
  - D. agreement to pay statute-barred debt

5. **(1 point)**  
Aina, a wealthy influencer has been kidnapped by several men wearing masks. Aina later was asked to sign an agreement to transfer all her property. Otherwise, she will be shot to death. Was the signing of the agreement valid?
- A. No, the signing of the agreement was void due to the element of undue influence.
  - B. Yes, the signing of the agreement was valid as there was an intention to create legal relations between both parties.
  - C. No, the signing of the agreement was voidable as the agreement was made involuntarily and under coercion.
  - D. No, the agreement was voidable as it has the element of fraud.
6. **(1 point)**  
Which of the following is **NOT** categorized as goods under the Sale of Goods Act 1957?
- A. Air-conditioner
  - B. Sugar
  - C. Rice
  - D. Bungalow
7. **(1 point)**  
What is the definition of warranty under the Sale of Goods Act 1957?
- A. Stipulation collateral to the main purpose of the contract
  - B. Stipulation essential to the main purpose of the contract
  - C. Buyer has to exercise care in making a purchase
  - D. The owner of the goods is precluded from denying the seller's authority to sell
8. **(1point)**  
A contract of sale of goods is a contract where the seller transfers or agrees to transfer the property in the \_\_\_\_\_ to the buyer for a/an \_\_\_\_\_.
- A. negotiation, instalment
  - B. goods, price
  - C. contract, stocks
  - D. sale, ownership
9. **(1point)**  
One of the exceptions to the principle mentioned under the maxim of *Nemo Dat Quod Non Habet* is \_\_\_\_\_.
- A. estoppel
  - B. quiet possession
  - C. merchantable quality
  - D. fit for a particular purpose

10. **(1 point)**  
The terms implied in a contract of a hire purchase will be binding to \_\_\_\_\_.
- A. principal and agent
  - B. dealer and hirer
  - C. seller and buyer
  - D. hirer and owner
11. **(1 point)**  
According to Section 4A of the Hire Purchase Act 1967, a hire purchase agreement written in languages other than Malay or English language is \_\_\_\_\_.
- A. voidable
  - B. void
  - C. valid
  - D. irrevocable
12. **(1 point)**  
What is the purpose of giving notice in writing before entering into a hire purchase agreement?
- A. To terminate the hire purchase agreement.
  - B. To collect the deposit upon signing of the hire purchase agreement.
  - C. To inform the hirer that he is required to pay for the goods in cash.
  - D. To inform the hirer of the obligations under the agreement if he agrees to make it.
13. **(1 point)**  
Which of the following is **NOT** the obligation of the hirer in a hire purchase agreement?
- A. A hirer must pay regular instalment
  - B. A hirer must inform the owner if the hirer removes the goods from the original address
  - C. A hirer may sell the goods owned by the owner
  - D. A hirer may not dispose of the goods
14. **(1 point)**  
Below are the examples of negotiable instruments, **EXCEPT** \_\_\_\_\_.
- A. Money order
  - B. Bills of exchange
  - C. Promissory notes
  - D. Cheque

15. **(1 point)**  
Which of the following is a characteristic of a cheque?
- A. It is an unconditional order in writing
  - B. It is signed by the drawee
  - C. It is drawn on the drawer
  - D. It orders the banker to pay a sum certain in money by instalment

**PART B: TRUE / FALSE**

State whether these statements are True or False.

1. **(1 point)**  
Silence does not amount to an acceptance.
2. **(1 point)**  
A proposal cannot be revoked by the lapse of time.
3. **(1 point)**  
Existing goods are goods to be produced or acquired by the seller after making the contract of sale.
4. **(1 point)**  
One of the joint-owners may sell goods even though he has no permission from the co-owners.
5. **(1 point)**  
In general, the principle under the *Nemo Dat Quad Non Habet* permits the sale conducted by a person that is not the owner.
6. **(1 point)**  
A contract of sale of goods may be made in writing only.
7. **(1 point)**  
The price in a contract of sale can be determined in the course of dealing between parties.
8. **(1 point)**  
A hire purchase agreement can be defined as the letting of goods with an option to purchase and an agreement for the purchase of goods by instalment.
9. **(1 point)**  
A hire purchase agreement can be made orally, in writing or by conduct.
10. **(1 point)**  
A hirer has no right to the early termination of the hire purchase agreement.
11. **(1 point)**  
A hirer who returns goods within twenty-one days after the service of the notice in the Fourth Schedule shall not liable to pay the cost of repossession, the cost incidental in taking possession and the cost of storage.

12. **(1 point)**  
Goods which are not listed in the First Schedule are not covered by the rules under the Hire Purchase Act 1967.
13. **(1 point)**  
There are three (3) types of alteration namely, apparent, non-apparent and special apparent alterations.
14. **(1 point)**  
The crossing of the cheque is to ensure that even if the cheques fall into the wrong hands, it would be difficult for him to obtain payment.
15. **(1 point)**  
When a customer presents a cheque drawn in favour of his company for the credit of a private account, the collecting banker has to make proper inquiries to avoid negligence.

**PART C: SHORT ANSWER**

*Answer ALL questions*

1. **(5 points)**  
State any **FIVE (5)** elements of a valid contract.
  
2. **(5 points)**  
Briefly explain any **TWO (2)** examples of an invitation to treat.
  
3. **(5 points)**  
Briefly discuss any **TWO (2)** ways to discharge a contract.
  
4. **(5 points)**  
Syukrina, a 17 years old student got a scholarship from the government of Malaysia to further her studies in Ireland and based on the scholarship agreement, she has to serve the government for 5 years after she graduated. After she came back to Malaysia, she served in the government for 3 years and 3 months only. Advise the government of Malaysia whether it can claim the scholarship given to Syukrina in the light of the capacity to enter into a contract.
  
5. **(5 points)**  
List any **FIVE (5)** implied terms according to the Sale of Goods Act 1957.
  
6. **(5 points)**  
Briefly explain the **TWO (2)** types of goods according to the Sale of Goods Act 1957.
  
7. **(5 points)**  
State any **FIVE (5)** contents of a hire purchase agreement according to section 4C of the Hire Purchase Act 1967.
  
8. **(5 points)**  
Explain any **TWO (2)** statutory rights of the hirer according to the Hire Purchase Act 1967.
  
9. **(5 points)**  
List any **FIVE (5)** types of endorsement of a negotiable instrument.
  
10. **(5 points)**  
Briefly explain any **TWO (2)** parties to the bills of exchange.

**END OF QUESTION PAPER**