



---

**QQI**

**BA in Accounting and Finance**

---

**AUTUMN 2024 EXAMINATIONS**

*Module Code:* **B7LW100 (M)**  
*Module Description:* **Business & Company Law  
Malaysian Variant**

*Examiner:* **Ms. Fatimah Wahab**  
*Internal Moderator:* **Ms. Siti Aisyah Safren**  
*External Examiners:*

*Date:* 22 July 2024  
*Time:* 3.30pm-6.30pm

---

**INSTRUCTIONS TO CANDIDATES**

**Time allowed is THREE hours**  
**Answer any FOUR questions**  
**All questions EQUAL marks**

### Question 1

A. In relation to the law of contract, explain and distinguish the following terms of a contract:

- (a) Conditions;
- (b) Warranties;

(7 marks)

B. Discuss **THREE (3)** tests to distinguish a condition from a warranty. Support your answer with relevant case law for each test.

(18 marks)

(Total 25 marks)

### Question 2

The *Amazing Opera House* contracted with Maya, a world famous opera singer, to perform a concert on New Year's Celebration. Rashid is a huge fan of Maya, and works in the press office of the *Amazing Opera House*. He was so excited about this upcoming performance that he decided to renovate the dressing room that Maya would be using, by painting it in Maya's favourite colours and putting new covers on the couches and throw pillows. On the morning of the concert he also purchased flowers for the room and a selection of food, drinks and magazines that he thought Maya might like. When the manager of the *Amazing Opera House* saw the dressing room he was so delighted that he promised to reimburse Rashid for the RM5,000 costs he had incurred.

Following the concert, the *Amazing Opera House's* accountant received a bill for RM5,000 to be paid to Rashid. When the accountant queried this bill with the Opera House's manager, he explained the reason behind the amount of RM5,000. However, when the accountant discussed this with the Opera House's Board of Governors they told him not to pay Rashid anything. Last week the manager of the Opera House received a letter from Rashid's solicitor, stating that they were suing the Opera House in relation to the unpaid amount of RM5,000.

The *Amazing Opera House* has now contacted you for advice.

#### Required:

A. Define the meaning of the term consideration, and through the use of case law explain the requirement that to be valid consideration cannot be vague or illusive.

(6 marks)

B. Discuss the specific type of consideration that arises in the context of the agreements made between the *Amazing Opera House* and Rashid (**8 marks**) and advise him as to whether they are legally obliged to pay RM5,000 outstanding (**1 mark**).

(9 marks)

C. Excluding the rules on consideration discussed in Part A, outline any **FOUR** other rules on consideration. Support your answer with relevant statutory provision and relevant cases (**4 x 2.5 marks**).

(10 marks)

(Total 25 marks)

### Question 3

Mr Chia buys a bag of charcoal from Jimat-Mart Sdn Bhd so that his family can enjoy themselves sitting around the fireplace in the chalet in Janda Baik. Unfortunately, the bag of charcoal contained an explosive device which exploded when Mr Chia lit the fire. Mr Chia was badly injured. Advise Mr Chia.

#### Required:

- A. Define 'goods'.  
(3 marks)
  - B. Discuss the conditions and warranties which are implied under the Sale of Goods Act 1957. This discussion should be supported by relevant statutory provision and case law.  
(17.5 marks)
  - C. Determine the relevant implied terms available to Mr Chia if he wishes to bring an action against Jimat-Mart Sdn Bhd under the Sale of Goods Act 1957. Is there any alternative action for Mr Chia.  
(4.5 marks)
- (Total 25 marks)

### Question 4

Blinking Cerah Industry is a universal company. In the last number of years, they have lost a substantial number of contracts, and consequently they have decided to make 35% of the universal employees redundant. In Malaysia, they have a plant based in Sari Alam which employs in excess of 850 staff. The Malaysian subsidiary is now faced with making 35% of their employees redundant.

#### Required:

- A. Define the meaning of the term redundancy.  
(2 marks)
  - B. The Malaysian Code of Conduct for Industrial Harmony 1975 provides measures to be taken by the employer for the purpose of redundancy. Describe any **FOUR** measures should be taken by the employer if retrenchment becomes necessary.  
(8 marks)
  - C. The Malaysian Code of Conduct for Industrial Harmony 1975 also provides objective criteria (guidelines) for the selection of affected employees. Explain any **THREE** of the objective criteria.  
(6 marks)
  - D. Advise Blinking Cerah Industry regarding the method by which statutory redundancy payments are calculated.  
(5 marks)
  - E. Examine the consultation requirements imposed upon companies considering collective redundancies, under the Malaysian Code of Conduct for Industrial Harmony 1975.  
(4 marks)
- (Total 25 marks)

**Question 5**

Last year Haikal established a consultancy business offering IT support, which he called *Synergy Systems and Solutions*. One of Haikal's first clients when he established *Synergy Systems and Solutions* was a private oncology practice. They hired *Synergy Systems and Solutions* to develop and maintain the IT software in their medical linear accelerators, which are used to administer radiation to cancer patients. Unfortunately, there was a flaw in the software that resulted in the machines administering 30% less radiation than intended, when certain commands were input to the machines. As a consequence of this undetected flaw a number of cancer patients were deprived of the correct radiation dosage. Some of these affected patients later died.

One of the families of a deceased affected patient has now contacted *Synergy Systems and Solutions* and informed them that they plan on suing them in negligence for damages arising from fatal injuries.

**Required:**

- A. Evaluate the various factors that the Court will take into consideration in assessing whether *Synergy Systems and Solutions* were the cause of the patients' death. (7 marks)
  - B. Discuss the rules applied by the Courts in relation to remoteness of damages. (6 marks)
  - C. Determine whether *Synergy Systems and Solutions* is liable in negligence for the death of the affected patient. (3 marks)
  - D. If the deceased patient died of skin cancer, but had been a regular tanning bed user, advise *Synergy Systems and Solutions* of any defence they can claim, and the effect of successfully raising this defence. (9 marks)
- (Total 25 marks)**

**Question 6**

Arif, Bharat and Chong Fat intend to set up a company to be known as ABC Sdn Bhd. Dani is their close friend and since he is working in a financial institution, they need him to clarify on certain matters. They contact him for advice.

**Required:**

- A. Outline and discuss the types of companies under the Companies Act 2016. (7.5 marks)
  - B. Examine the essential particulars in an application for an incorporation of a company under the Companies Act 2016. (6 marks)
  - C. Draw a table outlining **FIVE** differences between a private company and a public company. (10 marks)
  - D. List **TWO** requirements for a private company to be an 'exempt private company' as provided by section 2 of the Companies Act 2016. (1.5 marks)
- (Total 25 marks)**

**Question 7**

Dali and Zarul are partners of Dynamic Sharp Resources, a hardware shop with the objective of selling hardware tools and products in Seri Petaling. They both plan on investing money into the partnership, and they both want to be actively involved in running the business, but due to Dali's limited financial resources he would like to limit his liability for partnership debts to the amount of his initial investment in the business.

As Dali and Zarul know nothing about partnership law they have contacted you for advice regarding a number of matters.

**Required:**

- A. Outline to Dali and Zarul the meaning of the term partnership and the characteristics of a partnership. Support your answer with relevant statutory provision.  
(7 marks)
  - B. List any **FIVE** terms that Dali and Zarul should consider including in their contract of partnership.  
(5 marks)
  - C. Explain to Dali and Zarul the types of partners that may exist in a partnership. Advise Dali as to whether he can limit his liability for the debts of the firm in this situation.  
(7 marks)
  - D. List any **SIX** grounds upon which the Court can order the dissolution of a partnership in accordance with Section 37 of the Partnership Act 1961.  
(6 marks)
- (Total 25 marks)**

**END OF EXAMINATION**