

**POLITEKNIK**  
Jabatan Pengajian Politeknik

EXAMINATION AND EVALUATION DIVISION  
DEPARTMENT OF POLYTECHNIC EDUCATION  
(MINISTRY OF HIGHER EDUCATION)

COMMERCE DEPARTMENT

FINAL EXAMINATION  
JUNE 2012 SESSION

**PK504: BUSINESS LAW**

**DATE : 20 NOVEMBER 2012 (TUESDAY)**  
**DURATION : 2 HOURS (8.30AM – 10.30AM)**

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This paper consists of **TEN(10)** pages including the front page.  
Section A: Objective (25 questions – answer all)  
Section B: Structured (4 questions – answer all)  
Section C: Essay (2 questions – answer one)

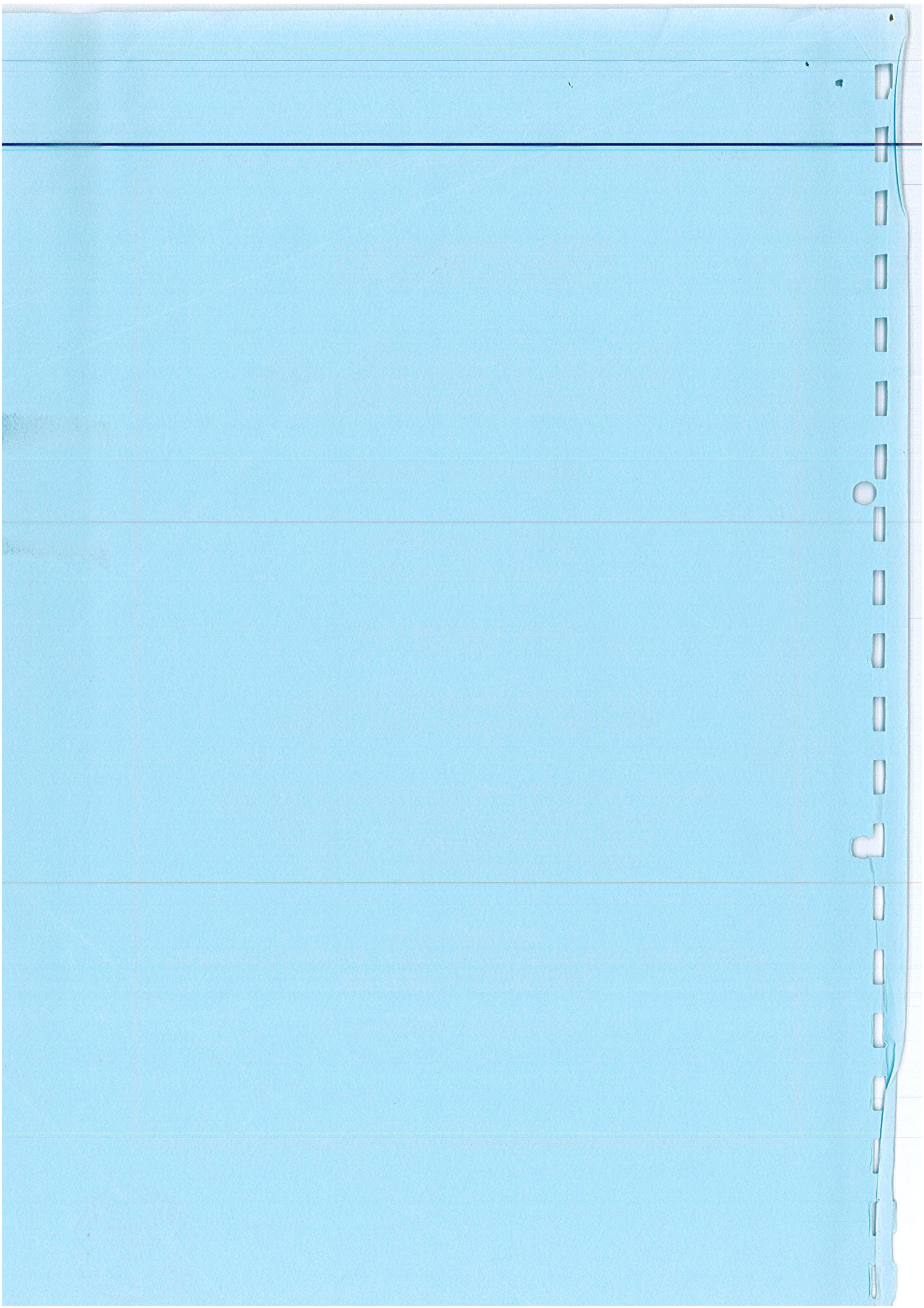
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**THE CHIEF INVIGILATOR**

(The CLO stated is for lectures reference only)









**SECTION A / TOPIC 1****OBJECTIVES: MULTIPLE CHOICES (25 marks)**

INSTRUCTION: This section consists of 25 objective questions. Write your answer in the answer booklet.

1. The political system practiced by Malaysia is known as .....( CLO 1 : C1)
  - A. Monarchy system
  - B. Democracy parliamentary
  - C. Constitutional monarchy parliamentary democracy
  - D. Constitutional monarchy
  
2. Which of the following is not an example of independent unit of government under Doctrine of Separation of Power? ( CLO 1 : C2)
  - A. Legislature
  - B. Executive
  - C. Judiciary
  - D. Monarchy
  
3. The highest and supreme law of the land is ..... ( CLO 1 : C1)
  - A. Parliament ✓
  - B. Federal Court
  - C. Federal Constitution
  - D. State Legislation

4.

The Common Law
Customs and Shariah Law
Judicial Precedent

The above stimulus refers to different examples of..... ( CLO 1: C1 )

- A. Unwritten constitution
- B. Common law
- C. Written constitution
- D. Regulations of State Assembly

5. The Subordinate Court consists of ..... ( CLO 1 : C1)

- i. Magistrate Court
  - ii. Session Court
  - iii. Penghulu Court
  - iv. Industrial Court
- A. i and ii
  - B. i,ii,and iv
  - C. i, ii and iii
  - D. ii and iv

6. The Court of Appeal is bound by the previous decisions of..... ( CLO 1 : C2 )

- A. The Sessions Court only
- B. The Court of Appeal and The Federal Court
- C. The High Court Only
- D. The Court of Appeal only

7. The display of goods in shops and supermarkets are known as; (CLO2 : C4)
- A. An offer
  - B. A counter offer
  - C. A contract
  - D. An invitation to treat
8. Section 10 of the contract Act 1950 provides that contract must be entered into; (CLO2 : C4)
- A. Without the intention to create legal relations
  - B. Without consideration of parties
  - C. With the free consent of parties
  - D. By parties who lack capacity
9. Various remedies are available in cases of breach of contract. An injunction; (CLO2 : C4)
- A. Can be obtained only when there is no privity of contract
  - B. Is available in cases of void contracts
  - C. Is a discretionary court order restraining a person from doing a specific act in the future
  - D. Allows the party to claim damages only
10. For a contract to be valid there must be a proper acceptance by the offeree. When the offeror specifies acceptance is to occur through the postal, acceptance is effective; (CLO2 : C4)
- A. When there is total silent
  - B. When the letter of acceptance is posted
  - C. Upon receipt of the letter of acceptance by the offeror
  - D. When the letter is received and acknowledged by the offeror

11. A "counter offer" has the effect of; (CLO2 : C4)
- A. Past consideration
  - B. Constituting an acceptance
  - C. An invitation to treat
  - D. Rejecting the original offer
12. The sales of Goods Act 1957 defines the right of lien as (CLO2 : C4)
- A. A right to retain possession whereby the seller is still in possession of the goods
  - B. A right to resale the goods
  - C. A right to stop goods in transit
  - D. A right to keep the goods
13. Section 26 SOGA1957 is about when property passes to the buyer, the goods are at the buyer's risk, it is because; (CLO2 : C4)
- A. Risk of loss or damage to goods is with the owner
  - B. The buyer have paid for the goods
  - C. The seller have received the money
  - D. The seller has gone bankrupt
14. Goods that are the subject of a contract of sale can be classified in a number of ways under the sale of goods legislation **EXCEPT**: (CLO2 : C4)
- A. Existing
  - B. Future
  - C. Specific
  - D. Services

15. An agent must \_\_\_\_\_. [ CLO 2 : C1 ]
- A. be an adult
  - B. be a sound mind person
  - C. not necessarily be an adult
  - D. responsible for his acts and transactions
16. Select the appropriate duties of an agent towards the principal.[CLO 2:C4]
- i. Allowed to make 'secret profit'.
  - ii. Obey the entire principal's instruction.
  - iii. Render proper accounts when required.
  - iv. Cannot delegate his authority to other person.
- A. i and ii
  - B. i, ii and iii
  - C. ii, iii and iv
  - D. All the above.
17. What case can be referred to describe the definition of a Hire-Purchase Agreement?  
[CLO3:C1]
- A. Newton of Wembley v Williams
  - B. Affin Credit (M) Sdn. Bhd. V Yap Fuen Fui
  - C. Kesang Leasing Sdn Bhd v Mohd Yusof B. Ismail & Anor
  - D. Credit Corp (M) Bhd. V The Malaysian Industrial Finance Corp & Anor
18. A valid Hire-Purchase agreement shall specify the particulars below **EXCEPT**;  
[CLO3:C1]
- A. Picture of the owner.
  - B. Date of the agreement.
  - C. Number of installment to be paid.



- D. The address where the goods are placed.
19. Section 31 of the Hire-Purchase Act 1967 provides that an owner must obtain from his hirer a minimum payment of deposit to a value ..... of the cash price of the goods comprised in the agreement. [CLO3:C1]
- A. not less than one-fifth
  - B. not less than one-tenth
  - C. not more than one-fifth
  - D. not more than one-tenth
20. What is the aim of the enforcement of Trade Description Act 2011? [CLO3:C1]
- A. To replace previous act.
  - B. To prohibit false trade description.
  - C. To ensure all products are in a good condition.
  - D. To ensure all products have the 'HALAL' label.
21. What does it mean by "fixed place of business" as be interpreted by s.2 of Direct Selling Act 1993? [CLO3:C1]
- A. The place where the buyers normally place their order/service.
  - B. The place where the vendor promised to deliver the goods/service.
  - C. The place where the buyer promised to received their order/service.
  - D. The place which the vendor normally carries on the business/service.
22. The Employment Act 1955 provides a comprehensive legal framework governing matters such as; [CLO3:C2]
- i. Rest days
  - ii. Working hours
  - iii. Payment of wages
  - iv. Employment of illegal immigrant
- A. i and ii



- B. ii, iii and iv
  - C. i, ii and iii
  - D. i, iii and iv
23. A patents is \_\_\_\_\_ [ CLO 4 : A3 ]
- A. An exclusive right granted for a minor invention which is not required to satisfy the test of inventiveness.
  - B. The exclusive rights of the patent owner are to exploit the patented invention; assign or transmit the patent; and conclude license contracts.
  - C. An exclusive right granted for an invention, which is product or a process that provides a new way of doing something, or offers a new technical solution to a problem.
  - D. A special trademark different from other trademarks, in that the registered proprietor must not trade in the goods himself.
24. A \_\_\_\_\_ is an unconditional order in writing, addressed by one person to another, signed by the sender, requiring the receiver to pay on demand or at a specific date or at a negotiable time to a specific person or the sender [ CLO 4 : A3]
- A. Delivery
  - B. Crossing
  - C. Drawee
  - D. Bill of exchange
25. The various types of negotiable instrument commonly used in Malaysia are as follow, **EXCEPT:** [ CLO 4 : A3 ]
- A. Bill of exchanges
  - B. Cheques
  - C. Promissory notes
  - D. Agreement

**SECTION B****STRUCTURED (60 marks)****INSTRUCTION:**

This section consists of **FOUR (4)** structured questions. Answer **ALL** questions.

**QUESTION 1**

- a) What is the definition of 'Law'? [ CLO 1 : C1 ]  
(3 marks)
- b) Discuss the various sources of Malaysian Law. [ CLO 1 : C1 ]  
(12 marks)

**QUESTION 2**

Analyse the situation below by determining the types of agency between the parties and relate with relevant provisions. (CLO2: C4)

- a) Darus has given his car to Daud to help him look for a buyer. Darus said "Daud, please find a car buyer for me but do not sell it yet". However, Daud sold the car to Dollah with a price of RM 30,000.00. Although Darus was not upset with Daud's act, he took a cheque amounting to RM 30,000.00 and deposited it into his account.  
(5 marks)
- b) Siti and Aminah have a written agreement, Based on the agreement, Siti has been authorized by Aminah to sell and distribute a new brand of cosmetic product for the price of RM 150.00 each. Aminah agreed to pay Siti 7% commission for each set successfully sold by her.  
(5 marks)



- c) A lorry loaded with fish driven by Pak Ali from Port Dickson to Kuala Lumpur was involved in an accident in Sepang. Pak Ali could not find another vehicle to deliver the fish to Kuala Lumpur. He tried to contact Ah San who owns the fish business, who was in Singapore, but still failed. Therefore, Pak Ali sold the fish to nearby villagers. (5 marks)

### QUESTION 3

- a) Describe a 'hire-purchase agreement' [CLO 3 : C2] (5 marks)
- b) Section 9-15 of the Hire Purchase Act 1967 provide for the rights of hirer under the hire purchase agreement. List down **FIVE (5)** of the statutory rights. [CLO 3 : C3] (10 marks)

### QUESTION 4

- a) Define the term 'patern' and 'patern invention'. (CLO4 : C1) (4 marks)
- b) A trade mark includes any device, brand, heading, label ticket, name signature, word, letter, and numeral. Any person of the mark may apply for trademark registration. Identify the effect of registration. (CLO4 : C4) (3 marks)
- c) List down the documents required for registration of a trade mark. (CLO4 : C1) (8 marks)

**SECTION C****ESSAY (15 marks)****INSTRUCTION:**

This section consists of two essay questions. Answer **ONE (1)** question only.

**QUESTION 1**

The Sale Of Goods Act 1957 implies a number of stipulations in every contract for the sale of goods. These implied terms are laid down in section 14-17 of such Act which includes implied warranty that the buyer shall have and enjoy quiet possession of the goods. Illustrate this implied warranty in details. (CLO 2 : C4)

(15 marks)

**QUESTION 2**

Rohana went to Cisco Supermarket. She took a trolley and filled it up with various food from items the shelf. She was about to push the trolley to the cash counter when she discovered that she had left her purse at home. Pretending as if nothing had happen, she slowly started to walk down the rows of self and put back the goods on the shelf. The supervisor, of the supermarket stopped her, saying that she had bought those goods and therefore ought to pay for them. Advise Rohana. (CLO2:C1)

(15 marks)