



جامعة السلطان الشريف علي الإسلامية
UNIVERSITI ISLAM SULTAN SHARIF ALI
SULTAN SHARIF ALI ISLAMIC UNIVERSITY

Faculty of Shariah and Law
Semester I, 2016/2017 Academic Session

Examination Question Paper

Course Code : LB 4305

Course Name : Business Law

**Course Level : Bachelor of Laws (LL.B) and Bachelor of
Shariah Law (BSL)**

Time : 3 hours

Reference allowed:

Bills of Exchange Act 1994

Contract Act 1939

Hire-Purchase Order 2006

Sale of Goods Act.1994

Notes:

1. Answer any **four** of the following questions.
2. All answers, wherever relevant, must be supported by statutory provisions and case law.

QUESTION 1 (15 Marks)

- a) Discuss the elements of 'Contract of Sale of Goods'. Is there any difference between 'Sale of Goods' and 'Agreement to Sell Goods'? Explain.

(6 marks)

- b) Explain whether there is a contract of sale of goods in following cases:
- i. A "free Chicken" to customers who spend BND\$30; (3 marks)
 - ii. A purchase of groceries at a mall paid for by a credit card; (3 marks)
 - iii. A house purchased for BND\$50000. (3 marks)

QUESTION 2 (15 Marks)

- a) Explain the difference between 'Condition' and 'Warranty'. Discuss the law relating to sale of goods by description.

(6 marks)

- b) Ahmad is a car dealer. He sold his car to Bilal telling Bilal that clutch of the car is defective and it needs repair. Ahmad told Bilal that if the clutch is repaired by him, then the price would be BND\$10000 and if Bilal gets it repaired himself, then the price would be BND\$9500. Bilal thought that repair charges may be only BND\$100, so he paid BND\$9500 to Ahmad. Two weeks later, Bilal went to a garage to get clutch repaired. He was told that the repair charges would be BND\$1000.

Advice Bilal whether he can succeed in his action against Ahmad on the basis of the car being of unmerchantable quality.

(9 marks)

QUESTION 3 (15 marks)

- a) A purchaser of goods from a person who is not the owner does not acquire a better right than the seller has.

Discuss.

(6 marks)

- b) When a seller of goods is deemed to be an unpaid seller? What are his rights against:

- (i) the goods and
- (ii) the buyer

(9 marks)

QUESTION 4 (15 marks)

- a) Explain any two ways in which an agency may be created.

(6 marks)

- b) Danish bought a house from ABC Sdn Bhd, the builders. The house was found to have been negligently built. Danish filed a suit for damages against ABC Sdn Bhd. ABC Sdn Bhd appointed Farhan, a lawyer, to defend the case. During trial, Danish suggested a compromise deal to Farhan. Farhan discussed the compromise with ABC Sdn Bhd but it did not agree. However, Farhan executed a compromise agreement with Danish.

How far ABC Sdn Bhd is liable for the compromise deed executed by Farhan with Danish?

(9 marks)

Question 5 (15 marks)

a) Explain the essential elements of a 'hire-purchase agreement'. Support your answer with the decided cases.

(9 marks)

b) What are the rights of the hirer after his goods have been repossessed for failing to make instalment payments?

(6 marks)

Question 6 (15 marks)

a) Briefly explain the elements of "Bill of Exchange".

(9 marks)

b) Amin was the payee of a bill. He delivered it to Karim who had advanced money on the bill. Amin forgot to indorse the bill and in the absence of indorsement was not noticed by Karim. Subsequently the bill was dishonoured.

Advise Karim.

(6 marks)

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