



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

**Faculty of Shariah and Law**  
**Semester I, 2020/2021 Academic Session**

**Final Examination**  
**Question Paper**

**Course Code : LB4305**  
**Course Name : Business Law**  
**Course Level : Bachelor's Degree**  
**Time : 3 hours**

**Reference(s) allowed:**  
SALE OF GOODS ACT 1994 (CAP. 170)  
CONTRACTS ACT 1939 (CAP. 106)  
HIRE PURCHASE ORDER 2006

**Instructions:**

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

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**QUESTION 1 (15 Marks)**

- (a) Explain the difference between a condition and a warranty as terms of contract in a contract for sale of goods. Support your answer with relevant examples.

*“A purchaser of goods from a person who is not the owner does not acquire a better right/title than the seller has”.*

(5 Marks)

- (b) Critically examine the above statement. Support your answer with case law and relevant section of the Sale of Goods Act 1994.

(10 Marks)

**QUESTION 2 (15 Marks)**

Mat Rahim is a lecturer in Biology at Universiti Brunei Darussalam, and a keen gardener with a large orchard. Yong Green Sdn Bhd is a manufacturer of gardening requisites and has a number of retail outlets from which they sell their own products and those of other manufacturers. Last May Mat Rahim visited one of these outlets to buy fertiliser. In the past, he had always used a top brand, but was hoping to find something cheaper. He looked at several types of fertiliser on display, noted the widely differing prices, and read the promotional leaflets. He studied the chemical composition of each fertiliser, given in the leaflets. Some fertilisers required application to the roots, others to leaves. He then sought the advice of the only available sales assistant, a youth who did not seem to know much about the products on sale. The sales assistant recommended that Mat Rahim should buy Yong Green Sdn Bhd's 'Pure Green Gro', which, at BND80.00, was considerably cheaper than all other brands in stock. Mat Rahim decided to buy a sack of 'Pure Green Gro'. Mat Rahim paid for the fertiliser.

When the trees produced fruit, the apples were small and sour. Though Mat Rahim had previously sold most of his apple crop to a local greengrocer and had won prizes for his apples at local horticultural shows, this crop could not be sold or entered for shows. Mat Rahim now wishes to sue Yong Green Sdn Bhd for all compensation possible, including the purchase price of the fertiliser, loss of profit on sale of the apple crop, and loss of prize money from shows.

Advise Mat Rahim.

**QUESTION 3 (15 Marks)**

Cindy Chong owned a shop selling antique goods. This required her to attend several auctions per year. When Cindy Chong went to these auctions her best friend Jane Lim ran the shop. Cindy Chong instructed Jane Lim, that she could sell any of the items displayed in the shop if Cindy Chong got at least seventy five percent of the price displayed on the item. Jane Lim was warned that under no circumstances must she purchase any stock for the shop.

While Cindy Chong was away at an auction, Jane Lim sold to Peter Tan an antique clock for seventy percent of the price displayed. Peter Tan bought the clock believing that Jane Lim owned the shop.

Jane Lim also sold to Kerry Kong, a regular customer and good friend of Cindy Chong's, a bedside cabinet for sixty five percent of the displayed price. Kerry Kong was aware that Cindy Chong would not sell for lower than seventy five percent of the marked price, even to a trader such as herself.

Jane Lim also purchased a number of items of jewellery from a collection shown to her by Timothy Lau, for BND300.00. Jane Lim believed this deal to be a bargain, one that she felt Cindy Chong would not want to let slip by.

On Cindy Chong's return, she discovered that the jewellery pieces were very rare and in fact worth BND3500.00. Timothy Lau, also having heard that the jewellery items were worth much more, returned to the shop and insisted that the items be returned because he was unaware that Jane Lim did not own the shop, and thus had no right to buy them. However, Cindy Chong refused to give the items back, arguing that the contract was valid.

Advise Cindy Chong and Jane Lim of their legal positions.

**QUESTION 4 (15 Marks)**

Discuss **five (5)** restrictions imposed on the power of the owner in the exercise of repossession of goods under a hire-purchase agreement.

Support your answer with case law and relevant sections of the Hire-Purchase Order 2006.

**QUESTION 5 (15 Marks)**

Mat Zain, is a famous and well known farmer in the District of Kuala Belait. In order to expand his commercial farming business, he entered into a hire-purchase agreement with Bank Islam Brunei Darussalam (BIBD) for the purchase of six tractors. The hire-purchase agreement was for nine years. For the first four years, Mat Zain's payment of the monthly instalment with BIBD was excellent. However during the fifth year of the hire-purchase agreement, Mat Zain defaulted in the payment of the monthly instalment for six consecutive months. BIBD claimed recovery of the six tractors owing to Mat Zain's failure to honour the hire-purchase agreement as well the tractors needed repair. BIBD informed Mat Zain that unless he paid the instalments due they would resume possession and sell the six tractors. Mat Zain did not pay the instalments within the stipulated time and BIBD sold the six tractors and brought this action to recover arrears of the instalments.

Advise Bank Islam Brunei Darussalam.

**QUESTION 6 (15 Marks)**

- (a) Explain the difference between 'contract of service' and 'contract for service'.

Support your answer with relevant examples.

(5 Marks)

- (b) Discuss **four (4)** grounds for the termination of the service of an employee.

Support your answer with relevant examples.

(10 Marks)

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