UNIVERSITI UTARA MALAYSIA

PEPERIKSAAN AKHIR
PROGRAM SISWAZAH
SEMESTER MEI, SESI 1999/2000

KOD KURSUS : PU 6013 LAWS & ETHICAL ISSUE IN BUSINESS
TARIKH : 18 SEPTEMBER 1999
MASA : 9.30 PG. - 12.30 TGH.
TEMPAT : DS 1 - SEKOLAH SISWAZAH

ARAHAN
Jawab semua soalan.

NO. MATRIK :
NO. KAD PENGENALAN :
NAMA PENSYARAH : R.N. SHARMA

JANGAN BUKA SOALAN INI
SEHINGGA DIBERI ARAHAN

SULIT
Question 1

Julie has just produced a new herbal pimple cream which she likes to market through a sole distributor for the whole of Malaysia.
On April 10 she faxed a letter to two reputable wholesalers, Bigg and David, asking each of them whether he would be interested in becoming sole distributor for the pimple cream.
On April 12 both Bigg and David independently sent fax messages to Julie showing interest in becoming sole distributor and asking for further information.
On April 14, Julie faxed Bigg, "I offer you sole distributorship for Malaysia at a basic 10 per commission. If I hear nothing from you by April 21, I shall assume this is acceptable to you."
Bigg immediately posted a first class express letter to Julie in which he accepted Julie's offer but unfortunately the letter did not reach Julie until April 23.
Meanwhile on April 21, David posted a letter to Julie in which he offered to become Julie's sole distributor for the pimple cream for a 7.5 per cent commission.
Julie received David's letter on April 22 and she immediately telephoned Bigg and told him that the post of sole distributor was no longer available.
Bigg insists there is a binding contract to appoint him but Julie wishes to appoint David.

Discuss.

(25 Marks)
Question 2(a)

X Bhd owned a disused warehouse which was built in the early nineteenth century. X Bhd entered into a contract for the sale of the warehouse to Y Bhd, knowing that Y Bhd intended to demolish the warehouse and build offices on the site. Unknown to either X Bhd or Y Bhd, however, the warehouse was, shortly before the conclusion of the contract, listed as being of outstanding historic importance, so that it became unlawful to demolish it.
Advise Y Bhd.

(12.5 Marks)

Question 2(b)

S Bhd agreed to sell to T Bhd 500 tons of peanuts now on board the SS City of Plains en route from New York to Penang. When the City of Plains docked in Penang it was discovered that the peanuts had never been shipped. The market price of peanuts has risen sharply since the contract was made.
Advise T Bhd, which has suffered heavy losses because of the non-delivery of the peanuts.

(12.5 Marks)
Question 3 (a)

What are the conditions implied in a contract for the sale of goods by sample?

(10 Marks)

Question 3(b)

Mrs Lim receives a Chinese New Year hamper from her uncle. Soon after her son John eats some peanut butter from the hamper he complains of pains in his stomach and is rushed to hospital where he undergoes an emergency operation. On analysis the peanut butter is found to contain fine particles of glass. John makes a complete recovery, but Mrs Lim is worried about the medical and hospital expenses which total RM 4000. Her uncle tells her that he purchased the hamper at the Prosperity Emporium in Chinatown for RM 200. The peanut butter is contained in a clear glass jar.

Advise Mrs Lim on the best course of action to recover the medical and hospital expenses she has incurred for John.

(15 Marks)
Question 4(a)

Chuli was appointed as a managing director of Kaya Sdn Bhd in early 1996 for three years. One of the covenants in his contract of service was that he would not solicit customers of the company after the termination of his employment. Chuli left Kaya Sdn. Bhd. when his contract of service expired early this year. He has just incorporated a new company called Curi-Curi Sdn Bhd which has a similar line of business as Kaya Sdn Bhd. Chuli holds 51 per cent shares in the new company and he is its managing director. Kaya Sdn Bhd has just discovered that Curi-Curi Sdn Bhd is actively soliciting Kaya’s customers.
Advise Kaya Sdn Bhd as to their remedies, if any, against Chuli and Curi-Curi Sdn Bhd.

(12.5 Marks)

Question 4(b)

Joowal agreed to sell his house to Billy for RM100,000 but later changed his mind. Fearing that Billy might sue him for breach of contract, Joowal transferred the house to Joo-Joo Sdn Bhd, a company in which he, together with his wife, owns more than 90 per cent shares.
Advise Billy as to what remedies, if any, can he have against Joowal and Joo-Joo Sdn Bhd.

(12.5 Marks)