



PENINSULA
COLLEGE
GEORGETOWN

FINAL EXAMINATION

Programme Name	:	DIPLOMA OF ACCOUNTANCY
Course Code & Name	:	DBLW4023 COMPANY LAW
Duration	:	3 HOURS

INSTRUCTIONS TO CANDIDATES:

1. Please read the instructions given in the question paper **CAREFULLY**.
2. The question paper consists of **FOUR (4)** questions.
3. Answer **ALL** questions in the question paper.
4. Answers to the questions are to be written into the examination booklet.
5. Electronic dictionaries, lecture notes, files or any unauthorised materials except writing equipment are strictly prohibited.

This question paper must be submitted along with all used and/or unused rough papers and/ or graph papers (if any). Candidates are **NOT ALLOWED** to take any examination paper(s) used or unused out of the examination hall.

WARNING:

The Examination Board of Peninsula College Georgetown regards cheating as a very serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in the accordance with the clauses stipulated in the Students' Handbook, up to and including expulsion from Peninsula College Georgetown.

(This booklet contains 3 printed pages including this page)

DO NOT OPEN THIS BOOKLET UNTIL YOU ARE ALLOWED TO DO SO

Answer **ALL** questions on the separate sheet provided.

[100 marks]

1.
 - a) Provide the definition of a promoter. (4 marks)
 - b) State **TWO (2)** duties of a promoter. (4 marks)
 - c) Discuss **THREE (3)** remedies available when a promoter breaches his duty. (9 marks)
 - d) Sam and Rosie are the promoters of a hotel company. They entered into a contract on its behalf for the purchase of hotel furniture. The company ratified the contract after it came into existence. Assess the validity of the contract entered into by the promoters. (8 marks)

Total: [25 marks]

2.
 - a) Sheryl is a sole trader who runs a catering business. She is considering forming a private limited company. Advise Sheryl on **SIX (6)** consequences of incorporating a company. (12 marks)
 - b) Describe **TWO (2)** key principles that can be drawn from the case of Salomon v Salomon & Co (1897). (5 marks)
 - c) Explain the lifting of veil of incorporation in the following ways:
 - (i) by the courts (4 marks)
 - (ii) by statute (4 marks)

Total: [25 marks]

3.
 - a) Explain **FIVE (5)** differences between ordinary shares and preference shares. (10 marks)
 - b) Briefly explain the following terms:
 - (i) Class rights (5 marks)

(ii) Allotment of shares (5 marks)

(iii) Substantial shareholder (5 marks)

Total: [25 marks]

4. a) Explain the role of the following directors:

(i) De facto director (5 marks)

(ii) Shadow director (5 marks)

b) State **FOUR (4)** fiduciary duties of a director. (8 marks)

c) Briefly explain who the following company officers are and their duties towards the company.

(i) Company secretary (4 marks)

(ii) Auditor (3 marks)

Total: [25 marks]

- END OF QUESTIONS -