

BINDURA UNIVERSITY OF SCIENCE EDUCATION

FACULTY OF COMMERCE

NOV 2023

DEPARTMENT OF ACCOUNTANCY

PROGRAMMES

Bachelor of Accountancy (Honours) Degree

Bachelor of Business Studies (Banking and Finance)

Bachelor of Business Studies Human Resources Management

Bachelor of Commerce (Financial Intelligence)

Bachelor of Business Administration (Police and Security Studies)

COMPANY LAW (AC214/BS109) EXAMINATION PAPER

Time: 3 hours.

INSTRUCTIONS TO CANDIDATES

1. Answer ALL QUESTIONS.
2. All questions carry equal marks.
3. Where necessary candidates are encouraged to make reference to case law and statutes.

1. Discuss, citing relevant case law authorities, the exceptions to the doctrine of separate legal personality as stated in the case of Salomon v Salomon & Co.

[20 marks]

2. Compare and contrast a private company and a public company. [20 marks]

3. By concise notes, explain the meaning of the following terms:

- a) Company promoter (5 marks)
- b) Resolution requiring special notice (5 marks)
- c) Statutory meeting (5 marks)
- d) The Turquand rule (5 marks)

[Total: 20 marks]

4. You are approached by Jack, a sole shareholder carrying on business as Museyamwa Trading (Pvt) Ltd in Bindura. He informs you that last week he received a summons claiming payment of US\$5 000.00 as damages arising out of an incident in which two guard dogs at the company premises allegedly attacked a customer without provocation resulting in the customer sustaining severe injuries. You are further informed that the dogs' vaccination certificates identify the owner as Museyamwa Trading (Pvt) Ltd, although the summons bears his individual name.

Required

Advise Jack, citing relevant case law, whether it is legally possible to hold him liable for the debts of the company and whether, as the sole shareholder, he would be liable to compensate the customer. [20 marks]

5. MaSiziba wishes to form a public limited company to carry on business as a publishing house. She has seen premises advertised for sale and she wishes to purchase them immediately on behalf of the as yet to be incorporated company.

Required:

Advise MaSiziba on the law relating to her proposed move.

[20 marks]

END OF EXAMINATION PAPER