

BINDURA UNIVERSITY OF SCIENCE EDUCATION

FACULTY OF COMMERCE

DEPARTMENT OF ACCOUNTANCY

JUN 2023

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. a. State and explain the constitutional documents of a company. (10 marks)

b. Differentiate a company from a partnership. (10 marks)

[Total: 20 marks]

2. By concise notes explain the following:

a. Company promoter (5 marks)

b. Limited liability (5 marks)

c. Non -executive director (5 marks)

d. Annual general meeting (5 marks)

[Total: 20 marks]

3. The Zimbabwe Companies Act [Chapter 24:03] was repealed and replaced by the Companies and Other Business Entities Act [Chapter 24:31] which became operational in February 2020.

Required:

Explain in detail the major features that were introduced by the new Act.

[20 marks]

4. You are approached by Mrs. Gava, one of the shareholders of a company called Gava (Pvt) Ltd in Bindura. She informs you that last week she received summons claiming payment of \$5000.00 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 Gava (Pvt) Ltd, although the summons bears his individual name.

Required:

Advise Mrs. Gava, citing relevant case law, whether it is legally possible to hold her liable for the debts of the company and whether, as a shareholder, she would be liable to compensate the customer.

[20 marks]

5. Grace wishes to form a public limited company to carry on business as a publishing house. She has heard about company directors but knows very little about their role and duties in a company.

Required :

Explain to Grace the role and duties of directors in a company. [20 marks]

END OF EXAMINATION PAPER