



# ZIMBABWE EZEKIEL GUTI UNIVERSITY

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## FACULTY OF BUSINESS, ECONOMICS AND ACCOUNTING

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### DEPARTMENT OF ACCOUNTING AND FINANCE

### EXAMINATION PAPER

**COURSE CODE** : CAC 201  
**COURSE TITLE** : COMPANY LAW AND PRACTICE  
**DURATION** : 3 Hours  
**DATE** :

#### **INSTRUCTIONS TO CANDIDATES:**

1. Answer any FOUR questions only.
2. Choose at least ONE question from each section.
3. Each question carries 25 Marks.
4. Start each question on a new page of your answer sheet..

## **Section A**

### **Question 1**

What is a company in term of the new Companies and Other Business Entities Act [Chapter 24:31] and explain prescribed registration of a company process. **[25 marks]**

### **Question 2**

Assuming that you are one of the promoters of Inkomo Dairy business that you are about to incorporate. The company's objects will enable it to process a whole range of milk products. You have been tasked to draft a Memorandum of Association that will be subsequently ratified by the shareholders.

Draft an actual (MOA) incorporating all the important details that the document should have. **[25 marks]**

## **Section B**

### **Question 3**

Section 5 of the Companies and Other Business Entities Act [Chapter 24:31] list the types of business entities that are registrable. Give a detailed explanation of four registrable businesses one can register in terms Companies and Other Business Entities Act [Chapter 24:31]. Your answer must include the salient requirements of each type of business entity. **[25 marks]**

### **Question 4**

- (a) You have been duly appointed as a director of Cake Fairy (Ltd). With reference to authoritative statute and text, outline and discuss the fiduciary duties you will carry out as a director. **[15 marks]**
- (b) Identify and explain the features which distinguish a company from other business enterprises. **[10 marks]**

**[Total 25 marks]**

### **Question 5**

With reference to case law and legislation, write brief notes on the following concepts and explain their applicability to Zimbabwean company law and practice:

- (a) Stipulatio alteri doctrine **[5 marks ]**  
(b) Ultra vires doctrine **[10 marks]**  
(c) Turquand rule **[5 marks]**

(d) Pre-incorporation contracts

[5 marks]

[Total 25 marks]

**Question 6**

(a) Distinguish judicial management from winding up

[15 marks]

(b) Describe the types of meetings that a company may hold and outline the resolutions that may be made by members in such meetings.

[10 marks]

[Total 25 marks]

**\*\*\*\*END OF PAPER\*\*\*\***