



ZIMBABWE EZEKIEL GUTI UNIVERSITY

FACULTY OF LAW

EXAMINATION PAPER

COURSE CODE : LLB 306
COURSE TITLE : Company and Corporate Law
DURATION : 3 Hours
LEVEL : 3.2
DATE :

14 FEB 2022

INSTRUCTIONS TO CANDIDATES:

1. Answer **one** question from **section A** and any **three (3)** questions from **Section B**.
2. Notes, handouts and textbooks are not allowed into the examination.
3. Begin each answer to a full question on a fresh page.
4. You are required, to write legibly.
5. You are directed to avoid using short hand and poor grammar.
6. During the course of your answers you must refer to any relevant case law, legal principles and legislation that may be applicable.
7. No cellphones are allowed into the examination room as well as all data storing devices. Failure to comply will lead to automatic disqualification.

SECTION A

QUESTION 1

Mr Andrew and Mr Adams carried out a partnership business wherein they had equal shares. They converted this partnership into a private company and were appointed as the company's first directors. Mr Adams' son was later admitted into the company through a donation of shares by both parties. However, Mr Adams and his son colluded to kick out Mr Andrew from the company using a general resolution. Mr Andrew then petitioned the court to bring the company's existence to an end.

With reference to legal authority discuss the grounds under which the company may be wound up by the court. In your answer, advice Mr Andrew on the most relevant ground on which he can rely on for wounding up.

[Total 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.

[Total 25 marks]

SECTION B.

QUESTION 3

- (a) The management of the business affairs of a company is conducted through meetings. It is therefore, imperative that a company should ensure that its meeting comply with the provisions of the Companies and Other Business Entities Act [Chapter 24:31].

In light of the above statement, discuss the types of meetings that a company may hold and outline the resolutions that may be made by members in such meetings.

(15)

- (b) Themba lives in Bulawayo. He is a shareholder of Pele limited (Ltd). He received notice of an annual general meeting of Pele (Ltd) to be held in Harare. He cannot attend the meeting on that day, but feels strongly about certain proposed resolutions set out in the notice of the meeting and wants to express his views on these matters to the board of directors. Themba also wishes to vote against the resolutions which the company proposed to pass.

With reference to relevant provision of the Companies and Other Business Entities Act [Chapter 24:31] advise Themba on methods that he may use to exercise his rights as a shareholder.

(10)

[Total 25 marks]

QUESTION 4

With the aid of relevant provisions in the Companies and Other Business Entities Act [Chapter 24:31] and case law, give a detailed discussion of the principle of lifting the corporate veil.

[25 marks]

QUESTION 5

Following the announcement of “Zimbabwe is open for business” mantra, a Chinese entrepreneur has approached you seeking advice on company formation issues. Write a report to the Chinese entrepreneur investor with mining interests across the globe explaining the different types of companies one can form in Zimbabwe. The investor owns multinational businesses listed across major stock exchanges around the world. Your report should end up recommending one type of company he can start in Zimbabwe.

[25 marks]

QUESTION 6

Discuss the formal restructuring and insolvency proceedings as engraved in the Insolvency Act [Chapter 6:08]

[25 marks]

END OF PAPER