

ZIMBABWE EZEKIEL GUTI UNIVERSITY

FACULTY OF LAW, BUSINESS INTELLIGENCE AND ECONOMICS

DEPARTMENT OF ACCOUNTING, FINANCE AND HUMAN CAPITAL MANAGEMENT

EXAMINATION PAPER

COURSE CODE : CAC213
COURSE TITLE : COMPANY LAW
SPECIAL REQUIREMENTS : NONE
DURATION : 3 Hours
LEVEL : 2.1
DATE :

INSTRUCTIONS TO CANDIDATES:

1. No cell phones are allowed in the examination venue
2. Use of silent, non-programmable calculators is allowed
3. Answer ALL questions.
4. Begin each question on a new page.
5. The number of marks for each question or part question is shown in brackets []

Question 1

- (a) Discuss the duties and responsibilities of a company promoter (10 marks)
- (b) Briefly outline the constitutional documents of a company (5 marks)
- (c) Chido Moyo wants to form a company that deals in commodity broking. She has identified 20 people willing to purchase shares and invest in the business. She learns that there two types of business entities she can register, a private limited company or a private business corporation. Discuss ten (10) main differences between a private limited company and a private business corporation(10 marks) [25MARKS]

Question 2

- (a) Identify 2 Zimbabwean cases and illustrate how the Turquand Rule has been applied. Give a brief on the facts of the case and the judgment (10 marks)
- (b) Discuss the cases of Kelner v Baxter and Howard v Patent Ivory Manufacturing in respect of pre-incorporation contracts (10 marks)
- (c) Outline the COBE section 22 provision on constructive notice (5 marks) [25MARKS]

Question 3

- (a) voluntary winding up and its effects (5 marks)
- (b) the reasons for compulsory winding up (5 marks)
- (c) Explain the process of company dissolution (5 marks)
- (d) Discuss the duties and powers of the liquidator(10 marks) [25MARKS]

Question 4

The Salomon v Salomon case is viewed as the foundation of modern company law. With the aid of decided cases, discuss how this concept currently impacts on matters of company law in Zimbabwe. [25MARKS]

SPM