



ZIMBABWE EZEKIEL GUTI UNIVERSITY

FACULTY OF LAW, BUSINESS INTELLIGENCE AND ECONOMICS

DEPARTMENT OF ACCOUNTING, FINANCE AND HUMAN CAPITAL MANAGEMENT

EXAMINATION PAPER

COURSE CODE : CAC 213
COURSE TITLE : COMPANY LAW AND PRACTICE
SPECIAL REQUIREMENTS :
DURATION : 3 Hours
LEVEL : 2.1
DATE : 06 DEC 2023

INSTRUCTIONS TO CANDIDATES:

1. No cell phones are allowed in the examination venue
2. Answer all questions
3. The number of marks for each question or part question is shown in brackets []

QUESTION 1

- (a) Briefly outline the constitutional documents of a company [5 marks]
- (b) Memory 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 [10marks]

- (c) Explain with a brief overview of the Salomon v Salomon case, the concept and major advantages of separate legal personality [10marks] [Total 25 Marks]

QUESTION 2

(a) Maria, who was employed as a receptionist by Graniteside Bakeries (Pvt) Ltd, was suspended and subsequently dismissed on 1 May 2011. The reason for her dismissal was alleged disobedience to a lawful order by the employer. This arose from the fact that on 30 April 2011, she experienced serious stomach pains while at work and she wanted to visit her doctor immediately. When she sought permission from her immediate supervisor to visit the doctor, this was turned down; however, fearing for her health, she decided to visit her personal doctor nonetheless. Upon returning to work the following day, she was given a letter of dismissal from employment.

Required: In relation to employment law, discuss the prospects of reinstatement as a remedy available to Maria. [10 marks]

- (b) Explain the law on retrenchment [5 marks]
- (c) Explain the employee's rights and obligations in a contract of Employment [10 marks]

[Total 25 Marks]

QUESTION 3

- (a) Explain the concept of voluntary surrender [5 marks]
- (b) Outline the process of rehabilitating an insolvent person [5 marks]
- (c) Voluntary winding up and its effects [5 marks]
- (d) The reasons for compulsory winding up [5 marks]

Explain the process of company dissolution [5 marks] [Total 25 Marks]

QUESTION 4

- (a) “The company is at law a different person altogether from the subscribers...the company is not in law the agent of the subscribers or trustee for them. Nor are the subscribers, as members liable, in any shape or form, except to the extent and in the manner provided by the Act” per Lord McNaughten at p.51 in *Salomon v Salomon & Co Ltd* [1897] AC 22 (HL). Assess the validity of the above assertion with reference to decided cases and the Companies and Other Business Entities Act (Chapter 24:31) [10 marks]

Discuss the concept of piercing the corporate veil. [15 marks] [Total 25 Marks]

END OF EXAMINATION QUESTION PAPER

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