



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 : 12 FEB 2024

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

Write explanatory notes on the following:

- a) Ordinary resolution **[5 marks]**
- b) Annual general meeting **[5 marks]**
- c) Extraordinary general meeting **[5 marks]**
- d) Special resolution **[5 marks]**
- e) Statutory meeting **[5 marks]** **[Total 25 Marks]**

QUESTION 2

- (a) Explain the principle of voluntary winding up and its effects **[5 marks]**
- (b) Discuss the reasons for compulsory winding up. **[6 marks]**
- (c) Moyo, Shoko and Tembo are small scale master farmers based at Nyika Irrigation Centre in the Masvingo Province of Zimbabwe. They are involved in a partnership, which grows a variety of horticultural products for export. Recently Mr. and Mrs. Jones held discussions with the three small scale farmers concerning the expansion of their farming project, including the establishment of a small revolving fund to help them profitably and professionally market their produce. The two donors are, however, concerned about the absence of a corporate legal body through which the objectives of the farmers can be realised and have urged the farmers to consider forming an incorporated association.

Required:

In relation to company law, advise the three farmers on the type of incorporated association best suited to their needs, highlighting the advantages and disadvantages of an incorporation as compared to a partnership **[14 marks]** **[Total 25 Marks]**

QUESTION 3

- (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 the main differences between a private limited company and a private business

Corporation [10 marks] [Total 25 Marks]

QUESTION 4

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

Outline the doctrine of estoppel in the case of Freeman & Lockyer v Buckhurst Park Properties (Mangal) Ltd [15 marks]. [Total 25 Marks]

END OF EXAMINATION QUESTION PAPER