



**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** : 16 July 2019

**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

With the aid of relevant provisions of statute and case law, give a detailed discussion of the principle of lifting the corporate veil. [25 marks]

### Question 2

Define a company in terms of relevant provisions of statute and other authoritative texts and explain prescribed formation process of a company. [25 marks]

## Section B

### Question 3

Give a detailed exposition of the different types of the prescribed types of company meetings. [25marks]

### Question 4

(a) With reference to relevant legislation and case law, outline and explain the fiduciary duties of directors towards the company. [15 marks]

(b) "A company has been defined as a legal person and a corporate device through which commercial transactions are carried out"

Identify and explain the various features which are used to distinguish a company from other forms of business enterprises. [10 marks]

[Total 25 marks]

### Question 5

Mr Simukai and Mr Johnson 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 Johnson's son was later admitted into the company through a donation of shares by both parties. However, Mr Johnson and his son colluded to kick out Mr Simukai from the company using a general resolution. Mr Simukaithen petitioned the court to bring the company's existence to an end.

With reference to authoritative text and legislation discuss the grounds under which the company may be wound up by the court. In your answer, advice Mr Simukai on the most relevant ground he can rely on for wounding up. [25 marks]

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