

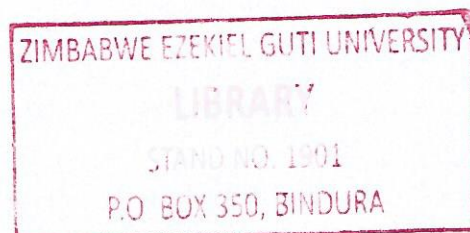


ZIMBABWE EZEKIEL GUTI UNIVERSITY

FACULTY OF COMMERCE
DEPARTMENT OF ACCOUNTING & MARKETING
CAC201 COMPANY LAW AND PRACTICE
JUNE\JULY EXAMINATION 2017
3 HOURS

INSTRUCTIONS

1. Answer four questions.
2. At least TWO question must be answered from Question 4.
4. Candidates may take into the examination room unannotated copies of the prescribed Statutes only [Companies Act 24:03]
5. Each question carries marks allocated at the end of each question
6. Total marks : 70



SECTION A

QUESTION 1

The board of directors of Gumbo Chains (Pty) Ltd convened a meeting to be held on 26 February 2015. Mr Munyoro a shareholder of Gumbo (Pty) Ltd was given a notice dated 19 February 2015, to attend the meeting at the board room of Gumbo (Pty) Ltd at 10:00. The agenda for the meeting is to discuss the company's business.

- a) Advise Mr Munyoro whether he was given proper notice.

[5 marks]

- b) suppose Mr Munyoro have been duly informed but he will not be able to attend the meeting and wishes to send Mrs Munyoro, his wife, who is not a shareholder, on his behalf as a proxy

Outline the powers and the requirements that should be met for a valid appointment of a proxy

[5 marks]

- c) The shareholders of Gumbo Chains (Pty) Ltd want to elect Mr Katiyo as a director to replace a director who has died.

Explain whether it is necessary to call a general meeting of shareholders for this purpose.

[5 marks]

- d) The annual general meeting of Salomon Ltd is attended by Mr Tim who holds 5% of the voting rights, Mr Sam who holds 5%, and Mr Bill who holds 20% of the voting rights in the company together with 2 other proxies from two shareholders who could not attend the meeting.

Are the requirements of the Companies Act of 24: 03 met in relation to a quorum which would allow the meeting to start?

[5 marks]

SECTION B

QUESTION 2

Mr Kawadza is a promoter of Nuts & Bolts (Pty) Ltd. He entered into a contract with Phidel Real Estate for the sale of an immovable townhouse which was going to be used as offices for the company's business once it is incorporated. Nuts & Bolts (Pty) Ltd has now been registered and incorporated and feels that the purchase price is too high as compared to other offices in town. Advise the company, Nuts & Bolts (Pty) Ltd on its rights regarding the contract that has been concluded on its behalf before it was incorporated.

[15 marks]

Question 3

Distinguish between ordinary and special resolutions.

[10 marks]

SECTION C

Question 4

Write notes on any **TWO** of the following:

- a) Ultra vires doctrine
- b) Doctrine of Constructive notice
- c) Turquand Rule

[10 Marks]

[10 marks]

[10 marks]

"...I HAVE NOT RUN IN VAIN, NEITHER LABOURED IN VAIN"

Philippians 2:16

