



**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  
**SPECIAL REQUIREMENT** : COMPANIES ACT CHAPTER [24:03]  
**DURATION** : 3 Hours  
**LEVEL** : 2.1  
**DATE** : 20 NOV 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

Define a company in terms of the Companies Act Chapter 24:03 and other authoritative texts and explain prescribed formation process of a company. **[Total: 25 marks]**

### Question 2

ABC Ltd is a company incorporated in Zimbabwe in terms of the Companies Act Chapter 24:03. Over the past 3 years the company has not been performing well due to the inflation currently being experienced in Zimbabwe and is on the verge of collapse.

Assuming that you have been duly appointed as a final judicial manager of ABC Ltd by the court. Explain in detail the duties you will carry out in your position as a judicial manager to save the company from collapsing and become a successful concern again.

**[Total: 25 marks]**

## SECTION B

### Question 3

(a) In terms of Common law a company is a legal person and a machinery 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]**

(b) Discuss the differences between the various classes of shares. **[15 marks]**

**[Total 25 marks]**

### Question 4

Using example to substantiate your answer, compare and contrast a company limited by shares and a company limited by guarantee. **[Total: 25 marks]**

### Question 5

With reference to relevant legislation and case law, outline and explain the fiduciary duties of directors towards the company. **[Total: 25 marks]**

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