



FINAL EXAMINATION
NOVEMBER 2023

COURSE TITLE	COMPANY LAW
COURSE CODE	ALAW3113
DATE/DAY	15 FEBRUARY 2024 / THURSDAY
TIME/DURATION	09:00 AM - 12:00 PM / 03 Hour(s) 00 Minute(s)

INSTRUCTIONS TO CANDIDATES :

1. Please read the instruction under each section carefully.
2. Candidates are reminded not to bring into examination hall/room any form of written materials or electronic gadget except for stationery that is permitted by the Invigilator.
3. Students who are caught breaching the Examination Rules and Regulation will be charged with an academic dishonesty and if found guilty of the offence, the maximum penalty is expulsion from the University.

(This Question Paper consists of 4 Printed Pages including front page)

*****DO NOT OPEN THE QUESTION PAPER UNTIL YOU ARE TOLD TO DO SO*****

This paper consists of TWO (2) sections. Answer ALL sections. [100 MARKS]

SECTION A (40 Marks)

There are THREE (3) questions in this section. Answer ALL questions in the answer booklet.

1. Nazim and Nazif are lawyers in Kuala Lumpur. They are planning to set up a business to provide legal services in their community in Tanjong Karang. They are in a dilemma as to set up a limited liability partnership (LLP) or set up an ordinary partnership. Advise them on the following:
 - a) Differentiate **THREE (3)** points each for the limited liability partnership and ordinary partnership. (6 marks)
 - b) Explain the registration procedures for the new LLP. (9 marks)

2. Samudera Properties Berhad is a public listed company with the main business of developing houses and shop offices around Kuantan. Jimmy and Sandra are close friends and they have decided to invest 2 million in Samudera Properties Berhad. Advise them on the following:-
 - a) Briefly explain to Jimmy and Sandra the **FIVE (5)** advantages of ordinary shares. (5 marks)
 - b) Give your opinion on the best type of share that Jimmy and Sandra should buy. (10 marks)

3. Thashin and Wong have been the directors and shareholders of HH Crystal Berhad since 1999. Over the years, the main business of HH Crystal Berhad has been to supply raw materials and crystals to customers mostly jewellers all over Malaysia.

However, since the pandemic of Covid-19, HH Crystal Berhad suffered losses and cannot gain profit anymore. Jimmy, a creditor of HH Crystal Berhad keeps calling for money due. During the extraordinary meeting on 1st July 2023, Thashin proposed to wind up the company. However, Wong opposed the proposal. Thashin is confused and seeks your advice on the following:-

 - a) State any **FOUR (4)** grounds of petition for compulsory winding up. (4 marks)
 - b) Give your opinion on the best modes to wind up HH Crystal Berhad. (6 marks)

SECTION B

(60 Marks)

There are **THREE (3)** questions in this part. Answer **ALL** questions in the answer booklet.

QUESTION 1

Auni and Aina are the directors of Awan-Bright Sdn. Bhd, a company trading in lights and lighting equipment. In the last couple of years, business has been bad and the company is hopelessly insolvent.

Despite this situation, two months ago, Auni and Aina, in collaboration with Aisyah, the office manager, bought in the name of the company, RM 1 million worth of lighting equipment on credit from Moon Bright Bhd, without disclosing the company's financial position. It was clear that there was no intention on the part of Auni, Aina and Aisyah to pay Moon Bright Bhd for the lighting equipment.

The company now is insolvent and the liquidator wishes to know whether Auni, Aina and Aisyah can be made personally liable for the debts and other liabilities of the company. Advise the liquidator the following:-

- a) Determine the issue of Awan-Bright Sdn Bhd. (1 mark)
- b) Discuss the principle of laws with decided cases available for Awan-Bright Sdn Bhd. (9 marks)
- c) Apply the laws in question (b) to Awan-Bright Sdn Bhd's case. (9 marks)
- d) Explain your findings and conclusion for Awan-Bright Sdn Bhd. (1 mark)

QUESTION 2

Yasir and Mansor are directors in Abadi Kopi Berhad, with their main business in food and beverages selling varieties of coffee. The business is currently expanding to Brunei and Thailand. Yasir and Mansor have agreed to appoint Ryan, Mansor's son who is 17 years old, and Azyra, Yasir's daughter who is 21 years old as new directors for Abadi Kopi Berhad, and they shall manage their new branch of business in Brunei and Thailand respectively.

Ryan had informed Mansor that he no longer wished to pursue his studies. Yasir and Mansor decided to name Ryan and Azyra as the new directors of the company in order to continue running the company eternally. However, in July 2023, Dr Yong diagnosed Azyra with bipolar disorder.

Advise Yasir and Mansor on the following:-

- a) Discuss the qualification of a director as per the Companies Act 2016. Support your answer with relevant section(s) and case(s) if applicable. (10 marks)
- b) Determine your findings and conclusion for Abadi Kopi Berhad's case. (10 marks)

QUESTION 3

Haura is appointed as one of the auditors of KK Crystal Bhd, a public company registered under the Companies Act 2016. Her appointment is in line with the requirement under the law and was appointed during the Annual General Meeting of KK Crystal Bhd which took place on 2nd January 2023. Fatimah is very happy to work with KK Crystal Bhd as her fiancé, Dato Fuad works at a similar company as well as a managing director of KK Crystal Bhd. You are the company secretary of KK Crystal Bhd required to give a briefing to Haura on the following:-

- a) Explain any **TWO (2)** statutory rights of an auditor based on the Companies Act 2016. (4 marks)
- b) Explain the common law duties of an auditor. Support your answer with relevant section(s) and case(s), if applicable. (8 marks)
- c) Discuss the legality of Haura's appointment as auditor of KK Crystal Bhd if she marries Dato Fuad at the end of the year. (8 marks)

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

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