



جامعة السلطان الشريف علي الإسلامية
UNIVERSITI ISLAM SULTAN SHARIF ALI
SULTAN SHARIF ALI ISLAMIC UNIVERSITY

**Faculty of Shariah and Law
Semester I, 2016/2017 Academic Session**

Examination Question Paper

Course Code : LB 3305
Course Name : Company Law I
**Course Level : Bachelor of Laws (LL.B) and Bachelor of
Shariah Law (BSL)**
Time : 3 hours

Reference allowed:

Companies Act (Cap.39)

Notes:

Answer any **four (4)** questions.

QUESTION 1 (15 Marks)

1. Tanti, Titi and Roti intend to set up a private limited company in Brunei Darussalam. Advise them on the process of incorporation of the company, in relation to the following matters:

- (a) name;
- (b) incorporation documents; and
- (c) post-registration requirements.

(8 marks)

2. Under its Articles of Association, the Board of Directors of Candy Sdn. Bhd. may only make purchases worth more than BND10,000/- with the approval of the general meeting passed by special resolution. Without obtaining such consent the Board enters into an agreement with Lucy Sdn. Bhd. for the purchase of a machine worth BND15,000/-. Subsequently this matter is raised at the general meeting by a shareholder. At this meeting the company votes to revoke this purchase on the ground that the Board had no authority to enter into this agreement. There is no allegation of mala fides on the part of the Board.

Advise Lucy Sdn. Bhd.

(7 marks)

QUESTION 2 (15 Marks)

(a) Who is a 'promoter'?

(5 marks)

(b) Can a company contend that a pre-incorporation contract signed by one of its promoters is not binding on the company? Discuss with reference to the relevant provisions in the Companies Act and the common law position.

(5marks)

(c) What do you mean by lifting or piercing the corporate veil?

(5marks)

QUESTION 3 (15 Marks)

(a) Discuss the concept of separate legal entity with reference to *Salomon v Salomon & Co. Ltd* [1897] AC 22.

(8 marks)

(b) "A director need not exhibit in the performance of his duties of a greater degree of skill than may reasonably be expected from a person of his knowledge and experience."

Discuss.

(7 marks)

QUESTION 4 (15 Marks)

(a) Explain "Memorandum of Association". Whether it can be altered and if so, how and to what extent?

(10 marks)

(b) Alcatel, Nokia, and Motorola wish to set up a private company to run the business of telecommunication in Brunei Darussalam. They are however uncertain as to whether they should set it up as a private limited company or a partnership firm.

Advise them.

(5 marks)

QUESTION 5 (15 Marks)

a. What do you understand by the term "fiduciary duties and obligations" in the context of being a promoter of a company? Elaborate with examples.

(8 marks)

b. Who has the authority to enter into contract on behalf of a company?

Discuss.

(4 marks)

c. What are the various kinds of meetings of a company?

(3 marks)

QUESTION 6 (15 Marks)

Write short notes on any **three** of the following:

- Duties of a Company Auditor
- Annual General Meeting
- Articles of Association
- Criminal Liability of Companies

(5 marks each)

QUESTION 7 (15 Marks)

(a) Who is a company's directing mind and will?

(6 marks)

(b) What do you understand by a quorum? Must a quorum be present throughout a meeting? What is procedure if a quorum is never formed?

(4 marks)

(c) S, a shareholder, after appointing P as his proxy at a meeting of the company, he himself attended the meeting and voted on a particular resolution. P, thereafter, claimed to exercise his vote. What is the position of his claim?

(5 marks)

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