



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

Faculty of Shariah and Law
Semester I, 2014/2015 Academic Session

Examination Question Paper

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

Reference allowed

Company Act (Cap.39)

Notes:

- (1) Answer any **four** questions.
- (2) Support your answers with the relevant statutory provisions and decided cases.

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Question 1 (15 marks)

- (a) Explain the rule in *Solomon v Solomon* [1897] AC 22. (5 marks)
- (b) Five months after Dayang Zainab purchased \$5,000 shares in the company, she discovered that the information she based her decision to invest upon was incorrect. She based her decision to purchase shares on the company's previous year's profit figures. However, the auditor had made an error in the preparation of these figures for the company and the profit was overstated by 50%. She comes to you for advice.

Advise Dayang Zainab whether she can claim damages from the company and the auditor.

(10 marks)

Question 2 (15 marks)

- (a) Explain the statutory requirements for the formation of a public company. (5 marks)
- (b) Directors have a primary duty to manage the company and not to answer to individual shareholders.

Discuss the above proposition.

(10 marks)

Question 3 (15 marks)

- (a) State the duties and functions of the director of a company. (5 marks)
- (b) Explain the roles and duties of the company's promoter and in what circumstances a promoter can be held personally liable. (10 marks)

Question 4 (15 marks)

Discuss a company meeting and the statutory procedures in convening such meeting of a company.

Question 5 (15 marks)

Discuss the issues and registration of prospectus, and whether a company can be held liable for misleading prospectus.

بالتوفيق والنجاح