



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

Faculty of Shariah and Law
Semester II, 2021/2022 Academic Session

Examination Question Paper

Course Code : LB 3306
Course Name : Company Law II
Course Level : Bachelor's Degree
Time : 3 hours

Reference allowed
Company Act (CAP39)

Note (s):

- 1. Answer any four (4) questions**
- 2. All answers, wherever relevant, must be supported by statutory provisions**

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

QUESTION 1 (15 Marks)

Emo Sdn Bhd is a company with share capital, which is divided into ordinary shares and preferential shares. Its articles of association provide that the preference shareholders of the company shall have priority as to return of capital in a winding up. The board of directors of the company found that the company's capital has been lost in the business to the extent that it no longer reflects the amount shown in the Memorandum of Association.

(a) If capital has been lost, who will bear the loss – the ordinary shareholders or the preference shareholders?

(7 marks)

(b) Advise the board if the company can reduce its capital and if so, how to do it?

(8 marks)

QUESTION 2 (15 Marks)

Samarata Sendirian Berhad (the company) is a small private limited company having only 9 shareholders. Red, who was one of the shareholders of the company wanted to transfer his shares to his friend, Purple and thus, an application to this effect was submitted to the company accordingly. Two months later, Red and Purple went to the company to check on the status of the transfer since neither of them received any news from the company regarding the same. At the company, they were informed that the transfer was refused. No reason was given for such refusal. However, to their surprise, when Red requested the return of the share certificate, they were informed that the share certificate was cancelled as the shares had been successfully transferred to another person, Brown. Red denied that he had ever executed a transfer of his shares to Brown.

Advise Red.

(15 marks)

QUESTION 3 (15 Marks)

a) The Takeovers Code does not aim to prevent takeovers from taking place but the purpose of these regulations is to ensure that takeovers bids are conducted fairly. Explain.

(7 marks)

- b) Explain the power of the court in facilitating mergers and differentiate mergers with takeovers. (8 marks)

QUESTION 4 (15 Marks)

- a) What is meant by Debenture? Enumerate its main features. (5 marks)
- b) A debenture holder occupies a position mid-way between the members and the ordinary creditors. He does not have all the rights of members. Explain. (5 marks)
- c) Explain the meaning and nature of 'Share' as understood in the Company Law. What are its essentials? (5 marks)

QUESTION 5 (15 Marks)

- a) Define the winding up of a Company. What are the various modes of winding up a Company? Distinguish them from one another. (10 marks)
- b) Enumerate the powers and duties of a liquidator in the voluntary winding up of a Company. (5 marks)

QUESTION 6 (15 Marks)

Write short notes on the following:

- a) Dividends
b) Bonus shares
c) Fixed charge

(5 marks each)

بالتوفيق والنجاح