



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

Final 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)

(a) Explain the powers of the court in facilitating the merger of a company and distinguish merger with the takeover.

(7 marks)

(b) 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 made and 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 to such refusal. However, to their surprise, when Red requested for 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.

(8 marks)

QUESTION 2 (15 Marks)

(a) Whether class rights be varied? With reference to decided cases and the Companies Act, discuss the common law position and Brunei's position in respect of variation of class rights.

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QUESTION 4 (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 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? Would your answer be different if the classes ie ordinary shares and preference shares rank *pari passu*.

(7 marks)

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

(8 marks)

QUESTION 5 (15 Marks)

(a) Define winding up of a Company. What are the various modes of winding up of a Company?

(7 marks)

(b) A common feature of winding up is the appointment of a liquidator. It is the liquidator's function to carry out the winding up process, which leads to the eventual dissolution of the company.

Discuss how liquidators are appointed in various modes of winding up.

(8 marks)

QUESTION 6 (15 Marks)

(a) Explain about Corporate Restructuring? What are the motives behind Corporate Restructuring?

(7 marks)

(b) The purchase of its own shares by the company involves a reduction of capital. Explain the statement with reference to the restrictions, if any, under the Companies Act on the powers of the company to buy its own shares.

(8 marks)