



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

Faculty of Shariah and Law
Semester II, 2022/2023 Academic Session

Final Examination Question Paper

Course Code : LB3306
Course Name : Company Law II
Course Level : Bachelor of Laws (LL.B) & Bachelor
of Shariah Law (BSL)
Time : 3 hours

Reference allowed:

Companies Act (CAP 39)

Notes:

1. Answer any **four (4)** of the following questions.
2. All answers, wherever relevant, must be supported by statutory provisions and case law.

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QUESTION 1 (15 Marks)

Ahmad, a shareholder in ABC Sdn. Bhd., a small private limited company having only 7 shareholders, wanted to transfer his shares to his friend, Abu. However, last week the directors of the company informally indicated to him that they will not approve the transfer, relying on a clause in the articles of association which states:

“The directors may in their absolute and uncontrolled discretion refuse to register a transfer of shares.”

a) Whether it is legal for the company to restrict members' rights to transfer their shares?

(5 marks)

b) Whether there is any time limit within which shareholders have to be notified of the refusal to register the transfer?

(5 marks)

c) Whether it is possible to challenge the exercise of the discretion by the directors?

(5 marks)

QUESTION 2 (15 Marks)

a) What is the definition of prospectus? Please explain the objectives of its issuance.

(5 marks)

b) Please explain the liability for the statement in the prospectus.

(5 marks)

c) Discuss the circumstances where the liability for the statement in prospectus is not applicable.

(5 marks)

QUESTION 3 (15 Marks)

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

(7.5 marks)

b) Explain the differences between “compulsory takeover” and “partial takeover”

(7.5 marks)

QUESTION 4 (15 Marks)

a) What do you understand by the term ‘compulsory winding up’ of a company? Under what circumstances will a court grant an order for compulsory winding up? Discuss.

(8 marks)

b) Explain the powers and duties of a liquidator in voluntary winding up of a company.

(7 marks)

QUESTION 5 (15 Marks)

Write a short note on the following:

(a) Partly paid-up shares.

(3 marks)

(b) Issue shares at a premium.

(3 marks)

(c) Issue shares at a discount.

(3 marks)

(d) Transfer of shares.

(3 marks)

(e) Transmission of shares.

(3 marks)

QUESTION 6 (15 Marks)

- a) Discuss the definition of debenture. (5 marks)
- b) Explain the differences between fixed charges and floating charges. (5 marks)
- c) Explain the differences between share capital and loan capital. (5 marks)