

BACHELOR OF COMMERCE (HONOURS) DEGREE

COMPANY LAW I (CIN 2106)

FIRST SEMESTER EXAMINATIONS – DECEMBER 2001

DURATION : 3 HOURS

Instructions to candidates

1. Answer five (5) questions only.
2. Question 1 is compulsory
3. All questions carry equal marks.

Question 1

Compulsory Question

In relation to Company Law, explain the theory of juristic personality and the consequences of separateness. Support your answer with relevant authorities.

[20 marks]

Question 2

Describe how a company is formed and registered under the Companies Act (Chapter 24:03 (Zimbabwe)).

[20 marks]

Question 3

- (a) B and D entered into an agreement under which D was to manage and control a general dealer's business owned and run by B. The net profit made from the business was to be shared equally between the parties. For his living expenses, D was entitled to draw each month a certain amount which was to be debited against his share of the profits. B was not to interfere with the running of the business except in an advisory capacity.

Does a partnership exist between the parties?

[10 marks]

- (b) Discuss:
- (i) the legal duties of the promoters
 - (ii) the legal duties of the directors.

[20 marks]

Question 4

The Companies Act requires every company to make an annual return to the Registrar, which will normally be the Anniversary of its incorporation. State the main information required.

[20 marks]

Question 5

- (a) A sold and transferred a portion of his farm to a partnership composed of B and C and undertook that for a period of nine years he would not sell or let any part of the remainder of his farm as a trading site. Thereafter B and C dissolved their partnership and C ceded his rights under the undertaking to B.

State whether the dissolution of the partnership released the partners from duties incurred before dissolution.

[10 marks]

- (b) Discuss the following:
- (i) Appointment of Liquidator;
 - (ii) Liquidator's Accounts; and
 - (iii) Liquidators's duties.

[10 marks]

Question 6

- (a) Discuss the main of differences between a partnership and a company registered under the Companies Act.

[10 marks]

- (b) Compare in terms of the Companies Act the main differences between Private and Public companies.

[10 marks]

Question 7

If you wish to purchase property on behalf of a company still to be formed there are two ways in which you can contract on behalf of the future company. Explain.

[20 marks]

END OF EXAMINATION PAPER