



UNIVERSITY OF RUHUNA
FACULTY OF MANAGEMENT AND FINANCE

No. of Pages : 03
No. of Questions: 06
Total Marks :70

003

BACHELOR OF BUSINESS ADMINISTRATION HONOURS DEGREE

3000 LEVEL FIRST SEMESTER END EXAMINATION - AUG/SEP 2022

Three Hours

ACC 3111 - Corporate Law

Repeat (Old Syllabus)

Instructions

- ➡ The question paper contains **six (06)** questions.
- ➡ Answer **five (05)** questions

Question 01

- (A) Namali wanted to start a new company that provides logistics services and incorporate the company with the name 'Southern Roads Pvt Limited'. There is another company already registered with the name 'Southern Foods Pvt Limited' that provides food catering service. Namali thinks that since her business is in a completely different business filed, she could go ahead and use the name 'Southern Roads Pvt Limited'.

You are required to advise Namali on using the new name for the company, with the support of relevant statutory provisions and decided cases if any.

(04 marks)

- (B) What is an Articles of Association? List three (03) items it contains.

(04 marks)

- (C) Kamal started a company, which hires private yachts, and he works as a captain (employee) in a yacht. While sailing in the sea the yacht met with an accident and Kamal died. His wife asked for a claim from the company and the company refused.

Do you agree with the company action? Provide reasons to your answer with the support of relevant statutory provisions and decided cases if any.

(04 marks)

- (D) List down three (03) consequences of incorporation.

(02 marks)

(Total Marks 14)

Question 02

(A) Briefly explain the steps of incorporation of a company according to the Company Act in Sri Lanka.

(06 marks)

(B) What are 'Pre incorporation contracts? List down three (03) consequences of failure to ratify the pre incorporation contracts.

(04 marks)

(C) "Promoters help the company during its incorporation procedure".

Do you agree with this statement? Provide reasons to your answers by explaining any four (04) duties of promoters with the support of relevant statutory provisions and decided cases if any.

(04 marks)

(Total Marks 14)

Question 03

(A) "A company director can only be vacated by his resignation".

Do you agree with this statement? Provide reasons to your answer with the support of relevant statutory provisions.

(04 marks)

(B) Briefly explain the essentials of a valid meeting.

(04 marks)

(C) Nirmal has started a new company recently and he seeks your advice to understand the duties of his company directors. Write a short note explaining any of four (04) duties of directors with the support of any statutory provisions and legal cases if any.

(06 marks)

(Total Marks 14)

Question 04

(A) Define the meaning of 'Share Capital'

(02 marks)

(B) List out three (03) rights a share would confer on its holder.

(02 marks)

(C) Briefly explain the difference between fixed charges and floating charges.

(04 marks)

(D) "Floating charges can never convert into a fixed charge".

Do you agree with this statement? Explain your answer supported with relevant examples and statutory provisions if any.

(06 marks)

(Total Marks 14)

Question 05

(A) ANM Pvt Limited secretary Mr. Malith hired a few reach trucks on behalf of the business when the CEO of the company was away. He claimed that the trucks were used for the business but actually they were used for Mr. Malith's personal use.

Briefly explain ANM Pvt Limited's liability towards this contract. You may support your answer with relevant statutory provisions and legal cases.

(04 marks)

(B) Describe whether which kind of a person can be appointed as a Company Auditor and for what he or she is responsible for?

(04 marks)

(C) As a student who studies corporate law prepare a short note that can educate the companies on the area, 'Modes available for winding up of companies'. You may be supported with relevant statutory provisions and case laws.

(06 marks)

(Total Marks 14)

Question 06

Briefly explain any **four (04)** of the following with the support of relevant statutory provisions and decided cases if any.

- I. Offshore Companies
- II. Administrator
- III. Private Company
- IV. Non-Executive Director
- V. Extra Ordinary General Meeting
- VI. Shareholder

(3.5 marks each)

(Total Marks 14)
