

**FACULTY OF BUSINESS****FINAL EXAMINATION**

Student ID (in Figures) :

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Student ID (in Words) :

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Course Code & Name : **LAW2513 – CORPORATE LAW**  
Semester & Year : May to August 2020  
Lecturer/Examiner : Christina Chan  
Duration : 3 Hours

**INSTRUCTIONS TO CANDIDATES**

- This question paper consists of 2 parts:**  
**PART A (75 marks) : Answer ALL FIVE (5) short essay questions. Answers are to be written in the Answer Booklet provided.**  
**PART B (25 marks) : Answer the ONE (1) essay question in Part B. Answers are to be written in the Answer Booklet provided.**
- Candidates are not allowed to bring any unauthorized materials except writing equipment into the Examination Hall. Electronic dictionaries are strictly prohibited.**
- This question paper must be submitted along with all used and/or unused rough papers and/or graph paper (if any). Candidates are NOT allowed to take any examination materials out of the examination hall.**
- Only ballpoint pens are allowed to be used in answering the questions, with the exception of multiple choice questions, where 2B pencils are to be used.**

**WARNING:** The University Examination Board (UEB) of BERJAYA University College regards cheating as a most serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in accordance with the clauses stipulated in the Students' Handbook, up to and including expulsion from BERJAYA University College.

**Total Number of pages = 4 (Including the cover page)**

**PART A : FIVE (5) SHORT ANSWER STRUCTURED QUESTIONS (75 marks)**  
**INSTRUCTION (S): There are FIVE (5) short answer structured questions.**  
**Answer all questions in the Answer Booklet(s) provided.**

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**Question 1**

Evaluate the benefits of fixed charge and floating charge to a debenture holder.

(15 marks)

**Question 2**

Briefly describe the following:-

- (a) Explain the definition of directors, shadow director and alternate and substitute director. (6 marks)
- (b) Section 213(1) and S213(2) Companies Act 2016 with reference to relevant cases. (6 marks)
- (c) The meaning of “business judgment rule” with reference to relevant cases. (3 marks)

[Total : 15 marks]

**Question 3**

Cool Company Sdn. Bhd. wishes to appoint one of its directors, Caren, as its company secretary. Caren holds a master’s degree in education administration from a local university, but has no previous experience as a company secretary.

Advise the company, with reference to the Companies Act 2016 as to:

- (a) The qualifications required to become a company secretary; (2 marks)
- (b) The disqualifications, of a company secretary; AND (5 marks)
- (c) Whether Caren is qualified to be appointed as the company secretary of Cool Company Sdn. Bhd. (2 marks)
- (d) What are the functions of a company secretary. (6 marks)

(Total : 15 marks)

#### Question 4

In relation to Company Act 2016, explain the following:

- (a) Annual general meeting (4 marks)
- (b) Extra ordinary meeting (2 marks)
- (c) Statutory meeting (3 marks)
- (d) Ordinary and Special Resolutions (2 marks)
- (e) Quorum (2 marks)
- (a) Proxy (2 marks)

[Total : 15 marks]

#### Question 5

In relation to Company Act 2016:

- (a) Explain briefly any **FOUR (4)** grounds for winding up of a Company. (4 marks)
- (b) Explain any **FOUR (4)** parties who have the power to wind up. (4 marks)
- (c) Explain briefly any **THREE (3)** functions of liquidators. (3 marks)
- (d) Distinguish between compulsory and voluntary winding up. (4 marks)

[Total : 15 marks]

**END OF PART A**

**PART B: CASE STUDY and ESSAY QUESTION**

**INSTRUCTION: PART B consists of ONE (1) question. Answer all parts to this question.**

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**Question 1 (a)**

At the beginning of the year, Complete Sdn. Bhd. which owns a chain of burger stores, borrowed RM1 million from its bank. The first loan was secured by a floating charge over all Complete Sdn. Bhd.'s trading stock and delivery vans. Later a second loan was secured by a fixed charge over one of Complete Sdn. Bhd.'s immovable asset.

- (a) Define a floating charge. (4 marks)
- (b) Explain whether Complete Sdn. Bhd can sell one of its delivery vans without first obtaining the Banks' consent. (2 marks)
- (c) Explain what happens to the floating charge and the fixed charge if Complete Sdn. Bhd. is wound up. (6 marks)
- (d) State which charge has priority. (4 marks)
- (e) Discuss when a charge can be invalidated? (4 marks)

**Question 1(b)**

Explain a compromise scheme of arrangement. (5 marks)

[Total: 25 marks]

**END OF PART B**