



CENTRAL UNIVERSITY

MANAGEMENT & PA DEPARTMENT

COMPANY & PARTNERSHIP LAW

(CBFW 202)

END OF SECOND SEMESTER EXAMINATION 2020/21

THERE ARE TWO SECTIONS IN THIS EXAMS; SECTIONS A & B

**ANSWER ALL THE QUESTIONS UNDER SECTION A
AND ANY TWO QUESTIONS UNDER SECTION B**

Lecturers:

Lawyer Frederick Asamoah • Lawyer Kwasi Opare-Wiredu

SECTION A

In the year 2018, Kwesi, Yaw and Richmond attended a seminar of entrepreneurship at City Plus Conference Centre located at Ridge Accra. The presentation was delivered by lawyer Nduro. Soon after the seminar the gentlemen, who already had plans of seeking up a company discussed among themselves to speak to lawyer Nduro for further consultation and professional assistance to form their dream company. Accordingly they spoke to the lawyer and took his number. On 26th March 2018, they called the law and met with him for discussions. The lawyer gave them professional advice on setting up the company.

The gentlemen, led by Yaw, spoke to Mr Adjei to rent his apartment at Darkuman to him on behalf of the company to be used as an office in the future. Mr Adjei charged him €3000,00 per month for 2 years which he paid with his own funds. This agreement was signed on the 1st of May 2018. The gentlemen had discussions with Benedicta, who was ready to capitalise the company with an amount of €100,000 in return for shares. This amount made Benedicta a 51% shareholder of the company. The other 49% was held by Yaw and Kwasi as 25% and 24% respectively. Yaw however did not pay fully for the allotment. He pay paid for 20% of it. They further obtained a long term credit from Essien which was agreed by the parties as having the tendency to be changed into shares in the future.

The gentlemen submitted their names to the Registrar-General as the directors of the company and went ahead to complete the process of registration. Their constitution stated that a limitation of the financial obligations of the members in the event of winding and also that their membership at all time will not exceed fifty (50) people with restrictions on transfers of shares.

The company was eventually granted a certificate of incorporation on the 1st of July 2018 with the name RichYK Company Ltd. On the 1st of July 2020, Yaw presented a bill of €3000 to the board of directors as the rent he paid personally for the company and requested for refund. The board has refused to refund this bill and ratify the contract.

As the operations of the company expended it appointed Daniel on 1st December 2019 to be a deputy to Yaw who had been taken up a temporary appointment with the UN and was going to be absent for a while. Mr Asiedu was also appointed as director for a period of 3 months.

[40 Marks]

SECTION B

ANSWER ANY ONE (2) QUESTIONS FROM THIS SECTION.

All questions carry the same Marks of 10

1. Mr Allotey's company contemplates buying shares in Waf company ltd or granting it a long term loan. To enable him make good use of the company's funds, compare and contrast shares and debentures for him to be well informed of the implications, the returns and liabilities if any
[10 Marks]

2. Discuss the concept of incorporation stating any two advantages forming a company
[10 Marks]

3. Discuss the Ghanaian and the English positions on the concept of Pre-incorporation contracts with the aid of case law and statute
[10 Marks]

4. Discuss the importance of a Company Secretary. Highlight the qualifications and duties of a Company Secretary to the company.
[10 Marks]

5. Discuss the process of conducting an AGM of a company. Highlight the issues of notice of meeting, quorum, adjournments and chairmanship of proceedings
[10 Marks]

6. Discuss the concept of "lifting the veil". State two grounds on which which can form the bases of the "lifting" and the sanctions that go with them.
[10 Marks]

There has been some disagreements at the board level. This disagreement mainly deals with some proposal to change the objectives of the company. This has led to the resignation of Richmond and Yaw on the 1st of January 2020. This affected the operations of the company. As at the 1st of June 2020 the company was making huge deficits. Daniel appointment was changed to a substantive director from the 16th June 2020. In addition to being a director, Daniel was assigned to direct the finance of the company at the managerial level. He was thus a director and a staff of the company.

USE THE PASSAGE ABOVE TO ANSWER QUESTIONS UNDER SECTION A

1. Who are the members of RickYK company ?
2. Who are the promoters or RichYK company?
3. What type of company is RichYK ?
4. What the nature of the contract between Yaw and Mr Adjei in respect of the latter's apartment?
5. Is this company a private or public company ?
6. What makes it a public company or a private company ?
7. By which date must the company hold its first AGM
8. What is the status of Benedicta vis-à-vis the company ?
9. What the nature of the credit faculty granted by Essien to the company ?
10. Per the terms of credit agreement with Essien, what status is he possibly to attain if the facility is converted from its present state?
11. What is the nature of the Mr Asiedu's appointment as a director
12. Oh hi are the first directors of the company ?
13. By what date should the rent refund of €3000 be presented to the company for ratification?
14. What is the nature of Daniel's appointment as a director on the 1st of December 2019
15. On the 2nd of December 2019 how many directors were in the company
16. What are the three basic rights of the members of this company relating to the meetings of the company.
17. What is the minimum number of directors in the company on the 5th of December 2020?
18. Did the company incur any company law breaches between the 1st of January and the 1st of June 2020?
19. What is the possible sanctions that company or anybody may face if there was a breach of law between 1st January and 1st June 2020
20. What was the nature of Daniel's directorship on the 16th of June 2020.