

CENTRAL UNIVERSITY

RESIT EXAMINATION

2016/2017



MANAGEMENT & PUBLIC ADMINISTRATION

CBFW203

BUSINESS LAW (3 CREDITS)

LEVEL 200

SESSION: MORNING, EVENING AND WEEKEND

DURATION: 3 HOURS

STUDENT ID No:

INSTRUCTIONS:

ANSWER ALL QUESTIONS

COMPANY & PARTNERSHIP LAW

ANSWER ALL QUESTIONS

Section A (TRUE OR FALSE)

1. Share transferability is prohibited in private companies
 - a. True
 - b. False
2. Public companies restrict membership to 50 people
 - a. True
 - b. False
3. Promoters are persons engaged in the formation of a companies, but not all persons engaged in the formation of companies are deemed as promoters
 - a. True
 - b. False
4. The name 'Limited' is added to names of companies limited by guarantee
 - a. True
 - b. False
5. Promoters do not owe any fiduciary duties to the company when it is not yet formed
 - a. True
 - b. False
6. According to section 13 of Companies Act pre-incorporation contracts do not have the sanctions of the yet to be formed company and so such contracts cannot be ratified by the company later after incorporation
 - a. True
 - b. False
7. The registered office clause is not a compulsory requirement in the Regulations
 - a. True
 - b. False
8. The ability of a company to own its own property is not determined by incorporation.
 - a. True
 - b. False
9. The inclusion of the names of the first directors of the company in the Regulations of a company is not a compulsory requirement according to section 16.
 - a. True
 - b. False
10. The work of a promoter is purely sacrificial. He or she is therefore not duty bound to compensate the company for any losses the company suffers from his actions.
 - a. True
 - b. False
11. Shares, unlike debentures, are used for capitalization of companies
 - a. True
 - b. False
12. Shares can be converted into shares
 - a. True
 - b. False
13. Debentures can be converted into shares
 - a. True
 - b. false

14. Insolvency is not a ground for the liquidation of a company
- True
 - False
15. Debenture holders are not creditors
- True
 - False

Section B (MULTIPLE CHOICE)

16. Amy operates a sole proprietorship table-top business in her neighborhood called "Amy & Daughters Mall". She went to Sacramento to borrow some money to food stuff to sell in her shop but failed to pay. Who is the proper person to sue for the debt?
- Amy
 - Amy & Daughters Mall
 - The daughters
17. Company law in Ghana is chiefly governed by the
- Company Act 1963 (Act 197)
 - Companies Act 1963 (Act 197)
 - Companies Act 1963 (Act 179)
18. Certificate to Commence Business is the first certificate issued before a company can commence business
- Yes
 - No
19. How many certificates will be issued to Pascaline after she incorporates her dream business
- One
 - Two
 - Three
20. Which of these compose the Constitution of an incorporated business entity
- Articles and Memorandum of Association
 - Company Incorporation Constitution (CIC)
 - Memorandum and Articles of Associations
21. Kukua operates a table-top business at Makola. She failed to pay her market toll. Can the veil of incorporation be lifted in this instance?
- Yes
 - No
22. Per section 15 of the Companies Act, a company can change its name. This can be done through
- Special resolution with approval of the Registrar
 - Resolution with approval of the Registrar
 - Special vote by the members
23. When the Registrar directs a company to change its name under section 15(4) what time frame is provided for the change of name to be effected
- 4 weeks
 - 6 weeks
 - 8 weeks
24. When a company operates under section 38 of the Companies Act what is the statutory legal procedure to take against persons operating the company
- Lifting the veil of incorporation
 - Perpetual injunction

- c. Payment of fine
25. The minimum number of Directors for a company is
a. 2 b. 4 c. 8
26. Which section of the Companies Act supports the correct answer in Question 25 above?
a. Section 810
b. Section 180
c. Section 108
27. How long can a company operate without members?
a. 3 months
b. 6 months
c. 9 months
28. Miss Bonney runs Bon Fabrics Company Ltd as the only director with 5 shareholders for 5 weeks. Which parties will be liable under the Companies Act for the actions of the company?
a. The Bon Fabrics Company, Miss Bonney and the 5 shareholders
b. Miss Bonney
c. The 5 shareholders
29. What punishment is prescribed by law for any person liable under Question 28?
a. Payment of 5 pounds per day
b. 25 months ban
c. Payment to be determined by the Registrar
30. What additional punishment (if any) will be fixed to Miss Bonney and the members who are cognizant of the fact that the company had less than the minimum number of directors?
a. Joint and several liabilities for company's debts and liabilities incurred during the time
b. Joint and several liabilities for penalties to the Registrar for default
c. No personal liabilities
31. The Ghanaian case of *Morkor v Kuma* was decided by
a. District Court
b. Circuit Court
c. Court of Appeal
32. In law, a company is a
a. Person
b. Business entity
c. Commercial entity
33. The register of members must at all times be kept at the
a. Registered office of the company
b. Established office of the company
c. Office of the Registrar of Companies
34. The requirement to have the name of the company clearly inscribed or fixed at the premises of the company is
a. Statutory
b. Optional
c. To be determined by the directors of the company
35. A company is a person but acts through
a. The Management
b. The Directors
c. The Promoters

Section C (Fill Ins)

36. The Regulations of a company becomes a between the company and its officers and members when it is registered.
 - a. Normal contract
 - b. Contract under seal
 - c. A conditional contract
37. Name the various certificates that are issued to companies after incorporation
 - a.
 - b.
 - c.
38. Josh wants to incorporate his hire purchase business. Which certificate will be issued to soon after incorporation by the Registrar:.....
39. Section 10 of the Companies Act, prohibits companies limited by guarantee from
40. Section 29 of the Companies Act, is on Penalties for Breach of Section 27 or 28. What is the punishment for the company and its officers for breaching sections 27 and 28?.....
41. According to Section 38 *"If at any time a company ceases to have any member and it carries on business for more than without at least member, every person who is a director of the company during the time that it so carries on business after those shall be jointly and severally liable for the payment of all the debts and liabilities of the company incurred during that period.*
42. Generally, any person who is or has been engaged or interested in the formation of a company shall be deemed to be a of that company
43. Another name for the Members of a Company limited by Guarantee is
44. In a company limited by shares, the liability of the members is limited to.....
45. The working capital for companies limited by guarantee is usually from
46. Companies are broadly categorized into two branches. (section 9(2), (4) of the Companies Act) They are
47. According to the case of *Morkor V Kuma (1998-9) SCGLR 620* Improper..... is a ground for the lifting the veil of incorporation
48. Which section of the Bodies Corporate (Official Liquidation) Act 1963, Act 180 empowers any person with standing to sue any other person who runs a company into fraudulent trading.....
49. Which Court is the proper forum for any legal action under Question 48
50. At what stage can the above situation (Question 48) take place in the life of a company?.....